



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

**May 07, 2012**

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

Wyoming National Bank  
Charter Number 23802

1700 North Federal Boulevard  
Riverton, WY 82501-5200

Office of the Comptroller of the Currency

SALT LAKE CITY Field Office  
2795 E. 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.

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

- A substantial majority of Wyoming National Bank's (WNB) loans originated during the evaluation period are within the bank's assessment area (AA).
- WNB's loan-to-deposit ratio (LTD) is reasonable in comparison to similarly situated banks in Wyoming (WY).
- The distribution of loans to borrowers of different incomes and businesses of different sizes is satisfactory.
- WNB's geographic distribution of loans in the AA is satisfactory.
- There have been no consumer complaints regarding WNB's Community Reinvestment Act (CRA) performance during the evaluation period.

**SCOPE OF EXAMINATION**

This Performance Evaluation of WNB assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated WNB's CRA performance under the Lending Test using Small Bank CRA procedures. This evaluation covers the period from the date of the previous CRA examination, April 25, 2006, through May 7, 2012.

The evaluation period for the lending test covers loans originated from January 1, 2010 through May 7, 2012. For the purposes of the evaluation, the primary loan types are business loans and consumer loans. These loan products represent 72% by number and 42% by dollar volume of loans originated during the evaluation period. The following table shows the volume of loans originated during the evaluation period

<b>Loan Type</b>	<b>% by Dollars of Loans Originated/Purchased during evaluation period</b>	<b>% by Number of Loans Originated/Purchased during evaluation period</b>
Business Loans	32%	21%
Consumer Loans	10%	51%
Residential Real Estate Loans	28%	11%
Farm Loans	26%	15%
Other	4%	2%
Total	100%	100%

## **DESCRIPTION OF INSTITUTION**

WNB is a community bank operating in Riverton, WY and Lander, WY. The bank is 100% owned by Wyoming National Bancorporation, Inc. The bank operates three full service facilities. Two branches are located in Riverton, WY and one branch is located in the neighboring community of Lander, WY. In addition, the bank operates a subsidiary in Riverton, WY under the name WNB Finance. The current local economy for the AA is characterized as stable. The local economy is heavily influenced by agriculture and energy exploration/production.

As of March 31, 2012, WNB had total assets of \$113 million, with net loans representing 59% of total assets. The bank's primary focus is real estate and commercial lending. By dollar amount, the loan portfolio consisted of 55% real estate loans, 21% business loans, 17% agricultural loans, and 7% consumer loans.

There were no acquisition or merger activities during the evaluation period. WNB does not have any financial or legal impediments that prevent it from meeting the credit needs of the AA. The prior CRA Performance Evaluation dated April 25, 2006, resulted in a "Satisfactory" rating.

WNB is responsive to the needs of the communities it serves as identified through a community contact. We conducted a community contact with a statewide nonprofit organization whose primary purpose is to create and preserve affordable housing. The community contact indicated that there is an opportunity to support home ownership counseling and financial literacy efforts. The contact also indicated that there is a need for affordable construction and permanent financing of multifamily projects. Overall, the contact indicated that financial institutions are supporting the credit needs of the state.

Please refer to the bank's *CRA Public File* for more information.

## **DESCRIPTION OF ASSESSMENT AREA**

WNB's AA includes all of Fremont County and consists of six middle-income CTs, three moderate-income CTs, and no low-income CTs. The AA is contiguous, meets the requirements of the regulation, and does not arbitrarily exclude low- or moderate-income geographies.

Competition from other financial institutions is strong. According to the FDIC insured Institutions Deposit Market Share Report, 7 financial institutions have a presence in the AA, with 15 offices throughout Fremont County. FDIC market shared data as of June 31, 2011 indicates WNB's statewide deposits total \$94 million, which equates to a 15% market share.

According to 2000 U.S. Census Data, the total population of this AA is 35,804. Approximately 26% of the families were classified as low-income, 21% as moderate income, 23% as middle-income, and 30% as upper-income. The 2000 U.S. Census Data indicates 15% of families in this AA live below the poverty level.

Business Geodemographic Data for 2011 shows 4,885 businesses in the AA: 3,467 (71%) have revenues of \$1 million or less, 131 (3%) have revenues over \$1 million, and 1,287 (26%) did not report revenues.

## Conclusions with Respect to Performance Criteria

### Lending in Assessment Area

A substantial majority of loans by number and dollar volume are originated within the bank's AA. Approximately 93% by number and 85% by dollar volume were made to borrowers within the bank's AA during the evaluation period. The table below shows loans originated inside the AA by number and dollar volume.

Lending in Fremont County AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business Loans	20	95%	1	5%	21	\$1,693,419	81%	\$403,134	19%	\$2,096,553
Consumer Loans	20	91%	2	9%	22	\$729,895	97%	\$25,371	3%	\$755,266
Total	40	93%	3	7%	43	\$2,423,314	85%	\$428,505	15%	\$2,851,819

Source: Loan Sample

### Loan-to-Deposit Ratio

WNB's average LTD ratio is reasonable given the bank's size, financial condition, and the AA's credit needs. As of March 31, 2012, WNB's LTD ratio is 68%. Over the past 25 quarters since the last CRA examination, the banks' quarterly average LTD ratio averaged 80% and ranged from 68% to 90%. The quarterly average of four other similarly situated banks over the same time period ranged from a low of 44% to a high of 74%, with an average of 62%.

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

WNB's lending to borrowers of different income and businesses of different sizes reflects reasonable penetration in the bank's AA.

#### *Borrower Distribution of Consumer Loans*

The distribution of the bank's loans to borrowers of different incomes is reasonable. Lending to moderate-income borrowers is comparable to the demographic information. While lending to low-income borrowers is below the demographic information, it is considered to be comparable given the higher degree of difficulty these borrower have in qualifying for loans. In this AA, approximately 15% of all households live below the poverty level. The table below displays the borrower distribution of consumer loans as compared to the demographic data.

<b>Borrower Distribution of Consumer Loans in Fremont County AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	25.90%	15.00%	21.48%	20.00%	22.84%	5.00%	29.77%	60.00%

Source: Loan Sample and 2000 U.S. Census Data

### *Borrower Distribution of Business Loans*

The distribution of the bank's loans to small businesses is reasonable. The percentage of loans to businesses with revenues of \$1 million or less exceeds the market demographic by both number of loans and dollar volume of loans extended to borrowers in the AA. However, revenue information was unavailable for 26% of the businesses in the AA. The following table shows the bank's borrower distribution for business loans.

<b>Borrower Distribution of Loans to Business in Fremont County AA</b>				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Business	70.97%	2.68%	26.35%	100.00%
% of Bank Loans in AA by #	95.00%	5.00%	0.00%	100.00%
% of Bank Loans in AA by \$	97.34%	2.66%	0.00%	100.00%

Source: Loan Sample and 2011 Business Geodemographic Data

### **Geographic Distribution of Loans**

The geographic distribution of loans reflects reasonable penetration in geographies of different income levels, given the demographics of the AA.

### *Geographic Distribution of Consumer Loans*

The geographic distribution of consumer loans is reasonable. The bank extended 20% of the number of consumer loans to borrowers located in moderate-income CTs. This represents satisfactory penetration given that 29% of AA households are located in moderate-income CTs. The following table shows the distribution of consumer loans among different income levels.

<b>Geographic Distribution of Consumer Loans in Fremont County AA</b>
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Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0.00%	0.00%	28.56%	20.00%	71.44%	80.00%	0.00%	0.00%

Source: Loan Sample and 2000 U.S. Census Data

**Geographic Distribution of Business Loans**

The geographic distribution of loans to businesses reflects reasonable dispersion. The bank’s performance is near the demographic comparator for moderate-income CTs. WNB has no low-income CTs and three moderate-income CTs in its AA. Within the sample selected, the bank originated four business (20%) loans in moderate-income CTs. The three moderate-income CTs include 25% of the total small businesses within the bank’s AA. The following table shows the distribution of business loans among different size businesses in the AA based on our sample.

Geographic Distribution of Loans to Businesses in Fremont County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	0.00%	0.00%	25.06%	20.00%	74.94%	80.00%	0.00%	0.00%

Source: Loan Sample and 2011 Business Geodemographic Data

**Responses to Complaints**

WNB did not receive any CRA-related complaints during the evaluation period.

**Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.