

PUBLIC DISCLOSURE

September 7, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Western Bank of Cheyenne
25154**

**1525 East Pershing Blvd.
Cheyenne, Wyoming 82001**

**Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
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 **Western Bank of Cheyenne** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **September 7, 2004**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

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

Western Bank of Cheyenne's (WBC) CRA performance depicts a satisfactory practice of providing for the credit needs of its assessment area in a manner consistent with its resources and capabilities. The following supports this rating:

- An analysis of small business loans and residential real estate loans originations reveals a satisfactory penetration of lending among individuals of different income levels and businesses of different gross annual revenues.
- The geographic distribution of small business loans and home mortgage loans reflects a satisfactory dispersion throughout the assessment area. No unexplained lending gaps were identified.
- A majority of small business and residential real estate loans were made within the assessment area.
- The bank's average loan-to-deposit ratio is reasonable given the institution's size, financial capacity, and assessment area credit needs.
- The bank has not received any CRA-related complaints since the prior CRA evaluation.
- There were no substantive violations found with regard to the provisions of antidiscrimination legislation, including the Equal Credit Opportunity and Fair Housing Acts.

DESCRIPTION OF INSTITUTION

Western Bank of Cheyenne (WBC) is an independent commercial bank with approximately \$40 million in total loans, \$65 million in total deposits, and \$71 million in total assets as of the June 30, 2004, Report of Condition. The bank operates from two locations, with the main office located at 1525 East Pershing Blvd. and the branch office located at 5538 Yellowstone Rd. Both offices are located in Cheyenne, Wyoming. The main office is located in census tract number 0007.00, which, according to 2000 Census data, is a moderate-income census tract. The branch office is located in census tract number 0012.00 which is an upper-income census tract.

WBC is a full-service community bank that offers a wide variety of personal and business loan and deposit products. Residential real estate lending includes lending for construction, interim financing, and home improvement. The bank also originates loans for modular homes and mobile homes.

Commercial loans offered include inventory, accounts receivable, equipment, capital, and operating lines. Open-end (revolving) credit products include commercial and agricultural lines of credit.

Consumer lending includes loans for such purposes as purchasing new or used automobiles, household goods, education, recreational vehicles, and other consumer purposes.

WBC also offers flexible lending products, such as Wyoming Community Development Authority (WCDA) mortgage and down payment loans. The WCDA loans provide qualifying first-time homebuyers 100 percent financing through a combination of a first mortgage and a second mortgage that assists with down payment and closing costs. WBC originated 17 WCDA loans totaling almost \$1,440,700 in 2003, and 13 loans totaling \$870,900 as of year-to-date August 31, 2004.

The composition of the bank's loan portfolio, as of June 30, 2004, is depicted in Table 1 on the next page. As shown, approximately 61 percent of the loan portfolio is comprised of commercial/industrial and commercial real estate loans, approximately 23 percent is 1-4 family residential real estate loans, almost 6 percent is non-residential consumer related loans, 5 percent is construction and land development loans, and 4 percent is multi-family (5 or more) residential real estate loans. Less than 1 percent of loans are agricultural loans and loans secured by farmland.

Table 1

Composition of Loan Portfolio as of June 30, 2004		
Loan Type	Dollar Amount (000s)	Percent of Total Loans (%)
Construction and Land Development	2,073	5.2
Secured by Farmland	91	0.2
1-4 Family Residential	9,007	22.7
Multi-Family (5 or more) Residential	1,701	4.3
Commercial Real Estate	19,743	49.7
Total Real Estate Loans	32,615	82.1
Commercial/Industrial	4,672	11.7
Agricultural	103	0.3
Consumer	2,354	5.9
Lease Financing	0	0.0
Less: Unearned Income	0	0.0
Total Loans	39,744	100.0

Source: 6/30/2004 Report of Condition and Income (Call Report)

The bank is not owned or affiliated with a bank holding company. WBC is independently owned by various shareholders. No legal or financial impediments exist that would prohibit the bank from meeting the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

A bank is required to delineate one or more assessment areas within which regulatory agencies evaluate a bank’s record of helping to meet the credit needs of its community and surrounding area. An assessment area must consist generally of one or more Metropolitan Statistical Areas (MSA) or one or more contiguous political subdivisions, such as counties, cities or towns, in which the bank has its main office, branches, and deposit taking remote service facilities. For the purposes and requirements of the Community Reinvestment Act (CRA), WBC has one assessment area.

Demographic and Economic Data

WBC has designated its assessment area as Laramie County which comprises the Cheyenne MSA #16940. According to 2000 U.S. Census data, the MSA contains a total of 18 census tracts. Table 2 shows the distribution of census tracts and other selected demographic and economic information for the MSA.

Table 2 - Demographic and Economic Information for Cheyenne MSA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)*	18	0.0	33.3	50.0	16.7
Population by Geography*	81,607	0.0	30.3	48.5	21.2
Households by Geography*	32,032	0.0	29.2	49.5	21.3
Families by Geography*	21,825	0.0	25.9	50.2	23.9
Households by Income Level*	32,032	20.9	18.1	21.2	39.8
Family Distribution by Income Level*	21,825	17.1	20.0	24.6	38.3
Distribution of Low and Moderate Income Families throughout AA Geographies*	8,102	0.0	38.7	48.1	13.2
Distribution of Housing Units*	34,213	0.0	30.3	48.7	21.0
Businesses by Geography for 2003**	6,058	0.0	42.0	43.6	14.4
Farms by Geography for 2003 **	240	0.0	10.4	62.9	26.7
2000 MSA Median Family Income (MFI)*	\$44,700	Families Below Poverty Level*			6.5
HUD Adjusted MFI for 2004***	\$55,400	Households Below Poverty Level*			9.1
		2000 Unemployment Rate*			4.6

Sources: *2000 US Census, **June 2003 Dun and Bradstreet, *** HUD updated MSA MFI for 2004.

The 2000 U.S. Census Median Family Income (MFI) for the Cheyenne MSA of \$44,700 is used to designate the income levels of the census tracts within the MSA. The adjusted MFI for 2004 is \$55,400, based on estimates from the Department of Housing and Urban Development (HUD).

As shown in the table, the MSA contains no low-income census tracts. There are 6 moderate-income, 9 middle-income, and 3 upper-income census tracts. The 2000 U.S. Census data shows

approximately 30 percent of the MSA's population residing in moderate-income census tracts. Approximately 39 percent of the households and 37 percent of the families in the MSA are low or moderate income, with the largest percent of households and families residing in middle-income census tracts. Approximately 9 percent of households are below poverty level.

According to information obtained from Dun and Bradstreet, 6,058 businesses were located in the MSA in 2003. Small businesses (businesses with gross annual revenues of \$1 million and less) accounted for approximately 93 percent of the MSA's total number of businesses in 2003.

Table 2 details that approximately 42 percent of businesses operating in the MSA are located in moderate-income geographies, with 44 percent located in middle-income census tracts and only 14 percent located in upper-income census tracts. According to June 2003 Dun and Bradstreet data, approximately 38 percent of the MSA's businesses are service industries. Retail trade comprises 13 percent, followed by finance, real estate and insurance at 9 percent, construction at 7 percent, transportation and communication at 4 percent, and agriculture, forestry and fishing at 4 percent. Four other industry categories, along with non-classifiable establishments, make up the remaining 25 percent.

Economic Conditions

According to the April of 2004 Metro@2004 Economy.com, Inc. report, the Cheyenne MSA economy is expanding in line with state trends. The implementation of job layoffs announced late in 2003 dampened overall job creation, but other indicators are symptomatic of strong growth. Notably, industrial activity is on the rise, and a solid State of Wyoming fiscal position is supporting expansion in the vital public sector. Consumer-related industries are benefiting from stronger household cash flow and a pickup in tourism activity. The recent acceleration in population growth for the Cheyenne MSA will lead to stronger growth patterns over the next couple of years. The improvement in demographic trends offers upside potential in the form of stronger demand in consumer driven industries such as retail, leisure and healthcare. On the downside, despite little direct exposure to the mining industry, the local economy is prone to energy boom and bust cycles via its enormous public sector; government payrolls represent one-third of overall employment and mineral royalties make up nearly one-fifth of the state's annual budget. In addition, the public sector's reliance on external forces for growth will compromise the health of the local economy in times of cyclical downturn. The report states that the metro area would benefit from a growth driver outside of the government sector to cement a stronger and more sustainable long-term growth path.

While the public sector is the dominant growth driver the Cheyenne MSA, the military also plays a large role in local economic conditions. F.E. Warren Air Force Base accounts for 10 percent of local employment and a comparable share of income. The largest employers in the MSA include F.E. Warren Air Force Base (4,451 employees), United Medical Center (1,330), Wyoming National Guard (859), Union Pacific Railroad (650), Safecard Services, Inc. (625), Sierra Trading Post (503), Veterans Affairs Medical Center (322), Qwest Communications International, Inc. (279), Frontier Refining (261), Wal-mart Stores, Inc. (250), and Laramie County Community College (235).

The State of Wyoming’s economy remains dependent upon natural resources, with state revenues sensitive to swings in commodity prices. The natural resources and mining sector represented almost 8 percent of nonfarm payroll employment, but mining, including oil and gas extraction and coal mining, provided 23 percent of Wyoming’s Gross State Product for 2001, the latest data available.

Drought conditions over the past several years have adversely affected agricultural producers in Wyoming. However, agricultural conditions have improved, spurred by higher beef prices. Cattle producers generate approximately 78 percent of the state’s agricultural revenues. Steer and heifer prices increased 30 percent year-over-year as of September 30, 2003. Improved weather conditions also helped crop production and livestock producers in 2003. However, a majority of the state continues to face an exceptional drought watch and all counties in Wyoming are classified as either “drought warning” or “drought disaster” areas as of May 2004.

The unemployment rate in the Cheyenne MSA has increased slightly over the past several years, but remains below the national average. The following table presents unemployment rates over the past three years.

Not Seasonally Adjusted	2001 (%)	2002 (%)	2003 (%)
United States (NSA)	4.7	5.8	6.0
Wyoming (NSA)	3.9	4.2	4.4
Cheyenne MSA (NSA)	3.6	3.8	4.1

Source: Bureau of Labor Statistics, NSA = Not Seasonally Adjusted

Not Seasonally Adjusted	Q2 2002	Q3 2002	Q4 2002	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Q1 2004	Q2 2004
United States (NSA)	5.7	5.7	5.5	6.4	6.0	6.0	5.5	6.1	5.5
State of Wyoming (NSA)	4.2	3.6	4.2	5.4	4.4	3.7	4.1	4.5	3.6
Cheyenne MSA (NSA)	3.6	3.5	3.8	4.5	3.9	3.8	4.2	4.5	4.0

Bureau of Labor Statistics, NSA = Not Seasonally Adjusted

Credit Needs

In conjunction with this evaluation, examiners reviewed four previously-conducted community contacts to help determine the credit and community development needs in the Cheyenne MSA. The contacts included representatives of an economic development group, a community-based development corporation, a chamber of commerce, and a college economics department. The contacts identified needs for small business and start-up financing, funding for business expansion and job creation, affordable housing, and special needs housing for the elderly, disabled, and mentally ill. The most recently interviewed contact stated that there has been a flattening, but no negative trend, of most economic indicators for Laramie County, with only modest growth over the last 10 years. He stated that residential construction has been fairly vigorous, but there has been a tight market for commercial construction with some new office construction in the suburbs and revitalization of downtown businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Five performance criteria are evaluated to determine the bank's CRA rating. The criteria center around the bank's lending activity within its designated assessment area(s). Each of the five criteria are discussed on the following pages of the evaluation and include lending within the assessment area(s), lending to individuals of different incomes and businesses of different sizes, geographic distribution of loans within the assessment area, loan-to-deposit ratio, and response to any CRA-related complaints. In addition, the bank's compliance with anti-discrimination laws and regulations is also evaluated in determining the bank's performance with respect to CRA.

Scope of Lending Analyses

The evaluation of the bank's lending performance was based, in part, upon the review of a sample of commercial loans originated over the six month period from March of 2004 to September of 2004. The commercial loan sample consisted of 21 loans totaling approximately \$2,921,200. In addition, residential real estate loans originated in 2002, 2003, and for the first six-months of 2004 were reviewed.

Data compiled on the bank's Home Mortgage Disclosure Loan Application Register was used to help evaluate the bank's performance with respect to residential real estate lending. The Home Mortgage Disclosure Act (HMDA) requires an institution that meets an asset threshold and is also located in a Metropolitan Statistical Area (MSA) to compile information on residential loan applications on a Loan Application Register (LAR). Information compiled on the LAR, such as income and geographic location of the property, was used to help assess the bank's CRA performance. The HMDA LAR for 2002 had 33 approved loan applications totaling approximately \$1,998,000 and the LAR for 2003 had 39 approved loan applications totaling \$3,155,000. For the six-month period from January 1, 2004, through June 30, 2004 the LAR had 14 approved loan applications totaling \$1,280,000. The home loans reported by the bank for HMDA purposes primarily include 1-4 family, home improvement, and refinance transactions, with very few multi-family transactions. These 86 originated loans for 2002, 2003, the first six-months of 2004 were used to help evaluate the bank's CRA lending performance.

In the analyses of the geographic and borrower distributions presented in this evaluation, the percentage distributions of the assessment area's families, along with 2002 aggregate HMDA lending data within the assessment area by all reporting institutions are shown for comparison purposes.

Residential real estate and commercial loans were reviewed as these types of loans represent the largest dollar volume of loans originated by Western Bank of Cheyenne (WBC). These loan types are also an important business focus for the institution. As of June 30, 2004, commercial and home mortgage lending represented 61 percent and 23 percent of the bank's loan portfolio, respectively. Consumer and agricultural lending was not reviewed for this evaluation. These two loan categories represent approximately six percent of the loan portfolio.

While residential real estate loans do not represent a large percentage of the bank's current loan portfolio in terms of dollar amount, WBC is an active participant in residential real estate

lending. Residential real estate loans on the bank's books are lower as the bank generally acts as a mortgage broker for other lenders. In this capacity, the bank takes the borrower's application and performs various settlement services; however, the bank does not make the credit decision. The bank does originally fund the brokered loans, but the loans are subsequently transferred to the lender and are therefore not shown on the bank's books. For calendar-year 2003 the bank acted as a mortgage broker for 196 loans totaling approximately \$21,116,000. As of year-to-date August 31, 2004, the bank acted as a mortgage broker on 73 loans totaling approximately \$9,081,200.

Lending in the Assessment Area

This performance criterion measures the volume of loans originated within a bank's assessment area relative to total lending activities, and is an indicator of the level of service within the assessment area. As mentioned previously, WBC has designated the Cheyenne MSA (Laramie County) as the bank's designated assessment area.

WBC's distribution of originated loans inside the assessment area is satisfactory. A majority of loans were originated within the designated assessment area.

Commercial Loans

WBC originated a substantial majority of commercial loans to businesses located within the assessment area. The sample of 21 commercial loans originated from March of 2004 to April of 2004 indicated that all of the loans were originated to businesses located within the assessment area.

Residential Loans

As mentioned previously, the bank's HMDA Loan Application Registers were used to determine the volume of residential loans originated within the assessment area. Tables 3, 4, and 5 detailed below and on the next page show that WBC originated a majority of home mortgage loans within the assessment area.

<i>Table 3 - Distribution of Home Loans Originated Inside and Outside of the Assessment Area</i>				
<i>Calendar-year 2002</i>	<i>Number</i>	<i>% of #</i>	<i>Dollar Amount</i>	<i>% of \$</i>
Within Assessment Area	28	84.8	1,667,000	83.4
Outside of Assessment Area	5	15.2	331,000	16.6
TOTALS	33	100.0	\$1,998,000	100.0

<i>Table 4 – Distribution of Home Loans Originated Inside and Outside of the Assessment Area</i>				
<i>Calendar-year 2003</i>	<i>Number</i>	<i>% of #</i>	<i>Dollar Amount</i>	<i>% of \$</i>
Within Assessment Area	33	84.6	3,036,000	96.2
Outside of Assessment Area	6	15.4	119,000	3.8
TOTALS	39	100.0	\$3,155,000	100.0

<i>Table 5 – Distribution of Home Loans Originated Inside and Outside of the Assessment Area</i>				
<i>First six months of 2004</i>	<i>Number</i>	<i>% of #</i>	<i>Dollar Amount</i>	<i>% of \$</i>
Within Assessment Area	14	100.0	1,280,000	100.0
Outside of Assessment Area	0	0.0	0	0.0
TOTALS	14	100.0	\$1,280,000	100.0

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

Lending to Individuals of Different Income Levels

The distribution of WBC's residential loans reflects a satisfactory penetration among individuals of different income levels. The CRA regulation divides income levels into four categories: low, moderate, middle, and upper. Because WBC's assessment area is located in an MSA, the categorization of income is determined relative to the MSA median family income. The median family incomes (MFI) used for this CRA evaluation is \$55,400 for 2004, \$51,700 for 2003, and \$48,300 for 2002. These figures were estimated by the U.S. Department of Housing and Urban Development for the Cheyenne MSA. The following table provides information on how each income level is defined for 2004.

<i>INCOME LEVEL</i>	<i>PERCENT OF MFI</i>	<i>INCOME RANGE</i>
Low	Less than 50%	Less than \$27,700
Moderate	50% to less than 80%	\$27,700 to less than \$44,320
Middle	80% to less than 120%	\$44,320 to less than \$66,480
Upper	120% and over	\$66,480 and over

Tables 6, 7, and 8 detailed on the following pages reflect the lending distribution of residential loans for 2002, 2003, and for the first six-months of 2004. The tables include, for comparative purposes, the percentage of families within each income level according to 2000 U.S. Census data. Table 6 also includes the 2002 distribution of home lending in the assessment area by certain lenders required to report such information under the Home Mortgage Disclosure Act (HMDA). This information is not included in Table 7 as it has not yet been finalized for 2003. As mentioned previously, HMDA requires lenders that meet an asset threshold and that have an office located in an MSA to collect and report data regarding home purchase and home improvement loans (including refinancings of both).

The aggregate HMDA data indicates that in the assessment area; 6,430 home loans were originated in calendar-year 2002 by 193 different lenders. The aggregate data indicates that 5.8 percent of lending was extended to low-income borrowers and 16.3 percent to moderate-income borrowers. In comparison, WBC originated 10.7 percent and 20.0 percent of residential loans in 2002 and 2003 to low-income borrowers, respectively. The bank's percentages compare favorably with the percentage achieved by the aggregate lenders for low-income borrowers. Additionally, WBC originated 14.3 percent and 23.3 percent of residential loans in 2002 and 2003 to moderate-income borrowers, respectively. WBC's percentage for 2002 is slightly below the percentage achieved by the aggregate lenders in 2002, but the percentage for 2003 is well above aggregate data for 2002. The 2000 U.S. Census data indicates that approximately 37.1 percent of families in the assessment area are designated as either low- or moderate-income families.

<i>Table 6 – Distribution of 2002 Residential Loans by Borrower Income Level</i>							
<i>INCOME LEVEL</i>	<i>PERCENT OF TOTAL FAMILIES</i>	<i>2002 AGGREGATE DATA</i>		<i>NUMBER</i>	<i>% of #</i>	<i>DOLLAR AMOUNT</i>	<i>% of \$</i>
		<i>% of #</i>	<i>% of \$</i>				
Low	17.1	5.8	3.2	3	10.7	34,000	2.1
Moderate	20.0	16.3	11.8	4	14.3	309,000	18.5
Middle	24.6	28.7	25.8	2	7.1	75,000	4.5
Upper	38.3	49.2	59.2	19	67.9	1,249,000	74.9
TOTALS	100.0	100.0	100.0	28	100.0	\$1,667,000	100.0

Source: Percent of Families: 2000 U.S. Census. Aggregate Data: 2002 Aggregate HMDA Data

<i>Table 7 – Distribution of 2003 Residential Loans by Borrower Income Level</i>							
<i>INCOME LEVEL</i>	<i>PERCENT OF TOTAL FAMILIES</i>	<i>2003 AGGREGATE DATA</i>		<i>NUMBER</i>	<i>% of #</i>	<i>DOLLAR AMOUNT</i>	<i>% of \$</i>
		<i>% of #</i>	<i>% of \$</i>				
Low	17.1	N/A	N/A	6	20.0	151,000	7.9
Moderate	20.0	N/A	N/A	7	23.3	472,000	24.7
Middle	24.6	N/A	N/A	7	23.3	694,000	36.2
Upper	38.3	N/A	N/A	10	33.4	596,000	31.2
TOTALS	100.0	100.0	100.0	30	100.0	\$1,913,000	100.0
N/A				3		1,123,000	

Source: Percent of Families: 2000 U.S. Census. Aggregate Data: 2003 Aggregate HMDA Data is not available.

Table 8 – Distribution of 2004 Residential Loans by Borrower Income Level							
INCOME LEVEL	PERCENT OF TOTAL FAMILIES	2004 AGGREGATE DATA		NUMBER	% of #	DOLLAR AMOUNT	% of \$
		% of #	% of \$				
Low	17.1	N/A	N/A	3	21.4	55,000	4.3
Moderate	20.0	N/A	N/A	6	42.9	520,000	40.6
Middle	24.6	N/A	N/A	5	35.7	705,000	55.1
Upper	38.3	N/A	N/A	0	0.0	0	0.0
TOTALS	100.0	100.0	100.0	14	100.0	\$1,280,000	100.0

Source: Percent of Families: 2000 U.S. Census. Aggregate Data: 2004 Aggregate HMDA Data is not available.

Lending to Businesses of Different Sizes

The distribution of WBC's sampled commercial loans also reflects an overall satisfactory record of lending to small businesses. The evaluation focused on the number of small business loans to entities with revenues of \$1 million or less. Table 9 shows the number distribution of the 21 originated small business loans in 2004 by the gross annual revenues of the borrowing entities. Also shown for comparison purposes is Dun & Bradstreet data that details the gross revenues of businesses located in the assessment area. Table 9 indicates that the bank achieved a satisfactory penetration rate to businesses with revenues of \$1 million or less, in comparison to the distribution of businesses by gross annual revenues in the assessment area for 2003. Based on bank generated data for 2004, approximately 90.5 percent of the bank's commercial loans were originated to businesses with gross revenues of \$1,000,000 or less, compared to Dun and Bradstreet data for the percentage of businesses that are small (93.1 percent). The table details that 90.5 percent of WBC's small business loans were originated to businesses with gross annual revenues of less than \$500 thousand.

Table 9 – Distribution of Small Business Loans by Gross Annual Revenues of Businesses by Number of Loans			
Gross Annual Revenues (000s)	% of Total Number of Businesses *	Commercial Loans Originated by WBC in 2004**	
		#	%
< \$500	Information not available	19	90.5
\$500 to \$1,000		0	0.0
Subtotal (< or = \$1,000)	93.1	19	90.5
> \$1,000	6.9	2	9.5
Total	100.0	21	100.0

Sources: *June 2003 Dun & Bradstreet Business Data. **Bank Records.

Geographic Distribution of Loans

The primary reason for performing a geographic distribution of a bank's loans is to determine the distribution of originated loans among low-, moderate-, middle-, and upper-income geographies within a bank's reviewed assessment area.

The analysis of the geographic distribution of loans for WBC was based on a review of HMDA data regarding the geographic locations for residential mortgage loans originated within the assessment area in 2002, 2003, and for the first six-months of 2004. In addition, an analysis of the geographic distribution of small businesses originated within the assessment area was completed. Tables 10, 11, and 12 detailed below provide the geographic distribution of the bank's residential mortgage loans. The percentage distribution of families within each income level in the assessment area is also shown for comparison purposes. The assessment area does not contain any low-income census tracts. WBC's geographic distribution of residential loans is considered satisfactory, with a penetration rate for moderate-income census tracts of 46.4 percent, 33.3 percent, and 21.4 percent for 2002, 2003, and for the first six-months of 2004, respectively. These percentages are slightly higher than the percentage of families residing in such tracts (32.2 percent for 2002 and 25.9 percent for 2003). The percentage is slightly lower for 2004 (25.9 percent). Also, the bank's penetration rate exceeded the rate achieved by the aggregate lenders in 2002 (19.9 percent).

<i>Table 10 – Distribution of 2002 Residential Loans by Census Tract Income Level</i>							
<i>INCOME LEVEL</i>	<i>PERCENT OF TOTAL FAMILIES</i>	<i>2002 AGGREGATE DATA</i>		<i>NUMBER</i>	<i>% of #</i>	<i>DOLLAR AMOUNT</i>	<i>% of \$</i>
		<i>% of #</i>	<i>% of \$</i>				
Low	0.0	0.0	0.0	0	0.0	0	0.0
Moderate	32.2	19.9	14.8	13	46.4	1,036,000	62.2
Middle	45.3	46.4	42.6	10	35.7	485,000	29.1
Upper	22.5	33.7	42.6	5	17.9	146,000	8.7
TOTALS	100.0	100.0	100.0	28	100.0	\$1,667,000	100.0

Source: Percent of Families: 1990 U.S. Census. Aggregate Data: 2002 Aggregate HMDA Data.

<i>Table 11 – Distribution of 2003 Residential Loans by Census Tract Income Level</i>							
<i>INCOME LEVEL</i>	<i>PERCENT OF TOTAL FAMILIES</i>	<i>2003 AGGREGATE DATA</i>		<i>NUMBER</i>	<i>% of #</i>	<i>DOLLAR AMOUNT</i>	<i>% of \$</i>
		<i>% of #</i>	<i>% of \$</i>				
Low	0.0	N/A	N/A	0	0.0	0	0.0
Moderate	25.9	N/A	N/A	11	33.3	630,000	20.8
Middle	50.2	N/A	N/A	14	42.4	1,212,000	39.9
Upper	23.9	N/A	N/A	8	24.3	1,194,000	39.3
TOTALS	100.0	N/A	N/A	33	100.0	\$3,036,000	100.0

Source: Percent of Families: 2000 U.S. Census. Aggregate Data: 2003 Aggregate HMDA Data is not available.

<i>Table 12 – Distribution of 2004 Residential Loans by Census Tract Income Level</i>							
<i>INCOME LEVEL</i>	<i>PERCENT OF TOTAL FAMILIES</i>	<i>2003 AGGREGATE DATA</i>		<i>NUMBER</i>	<i>% of #</i>	<i>DOLLAR AMOUNT</i>	<i>% of \$</i>
		<i>% of #</i>	<i>% of \$</i>				
Low	0.0	N/A	N/A	0	0.0	0	0.0
Moderate	25.9	N/A	N/A	3	21.4	66,000	5.2
Middle	50.2	N/A	N/A	11	78.6	1,214,000	94.8
Upper	23.9	N/A	N/A	0	0.0	0	0.0
TOTALS	100.0	N/A	N/A	14	100.0	\$1,280,000	100.0

Source: Percent of Families: 2000 U.S. Census. Aggregate Data: 2003 Aggregate HMDA Data is not available.

Table 13 on the next page provides the geographic distribution of the sampled small business loans. The table also includes the percent of businesses located within the geographies according to Dun & Bradstreet data. The percentage distribution of the businesses and the 2002 aggregate lending data in the assessment area are shown for comparison purposes (2003 or 2004 aggregate data is not yet available). WBC's geographic distribution of small business loans is satisfactory, with a penetration rate in moderate-income census tracts (33.3 percent) only slightly below the aggregate (40.7 percent) and the percentage of total businesses in those tracts (42.0 percent).

Table 13 – Distribution of 2004 Small Business Loans by Income Category of the Census Tract Income

INCOME LEVEL	PERCENT OF TOTAL BUSINESS	2002 AGGREGATE DATA		NUMBER	% of #	DOLLAR AMOUNT	% of \$
		% of #	% of \$				
Low	0.0	0.0	0.0	0	0.0	0	0.0
Moderate	42.0	40.7	43.9	7	33.3	484,100	16.6
Middle	43.6	36.6	37.8	8	38.1	2,140,000	73.2
Upper	14.4	22.7	18.3	6	28.6	297,100	10.2
TOTALS	100.0	100.0	100.0	21	100.0	\$2,921,200	100.0

Source: Percent of Businesses: 2003 Dun & Bradstreet Data. Aggregate Data: 2002 Aggregate CRA Data

Loan-to-Deposit Ratio

WBC’s loan-to-deposit ratio indicates a reasonable responsiveness to assessment area credit needs given the bank’s asset size, financial capacity, lending capacity and product lines, as well as economic and competitive factors in the assessment area.

The ratio measures the relationship of funds deposited in the bank to loans outstanding to bank customers. The bank’s average quarterly loan-to-deposit ratio, based on 19 quarters since the last CRA evaluation, is approximately 65 percent. Two independent financial institutions are somewhat similarly situated in terms of asset size, number and location of branches, business focus, product lines, and area served were identified for comparison purposes. These two financial institutions are both located in Cheyenne. WBC's performance indicates the bank has a reasonable volume loans in relation to its level of deposits. Based on the bank's loan portfolio volume plus its origination of home mortgage loans when acting a mortgage broker, WBC demonstrates reasonable responsiveness to assessment area credit needs.

Table 14 – Financial Institutions Headquartered in Laramie County

Financial Institution	Average LTD Ratio (%)	Total Assets
Bank1	92.5	\$61,758,000
Bank 2	76.5	\$67,952,000

Source: Consolidated Reports of Condition and Income (Call Report)

Response to Complaints

The bank has not received any CRA-related complaints since the last CRA evaluation dated October 18, 1999.

Compliance with Anti-discrimination Laws and Regulations

No violations of the substantive provisions of the anti-discrimination laws and regulations were identified during the examination.