

PUBLIC DISCLOSURE

February 10, 1997

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

BANK OF JACKSON HOLE
898458
10-56-0232

P.O. BOX 7000
JACKSON, WYOMING 83001

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 Bank of Jackson Hole, Jackson, Wyoming, prepared by Federal Reserve Bank of Kansas City, the institution's supervisory agency, as of February 10, 1997. 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 **Satisfactory**.

The bank's performance with the CRA is Satisfactory. The bank's loan-to-deposit ratio is outstanding given the bank's size, financial condition, and assessment area credit needs. Additionally, a majority of loans were found to be in the bank's assessment area, and the distribution of loans reflects excellent dispersion to individuals of different income levels and businesses of different sizes, as well as a satisfactory dispersion among geographies.

The following table indicates the performance level of the Bank of Jackson Hole with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	BANK OF JACKSON HOLE 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		X	
Response to Complaints	The bank has not received any complaints about its CRA performance		

The bank's performance under CRA was last evaluated at the August 14, 1995 examination, at which time it was also considered Satisfactory.

DESCRIPTION OF INSTITUTION

The Bank of Jackson Hole has one full-service facility located at 990 West Broadway in the city of Jackson, Wyoming, a branch located in Wilson, Wyoming and a branch at The Aspens, Wyoming . The Bank of Jackson Hole also has six automated teller machines (ATMs), one each at the above locations, and at one other location in Jackson as well as in Moose, and Alta, Wyoming.

The bank reported total assets of \$77,764,000 in its September 30, 1996 Report of Condition and Income (Call Report). The table on the following page reflects the

distribution of the bank's loan portfolio as of that date.

DISTRIBUTION OF LOANS IN THE LOAN PORTFOLIO		
Type of Loan	\$ Amount (In Thousands)	Percenta ge of Total Loans
Commercial and agricultural loans	19,639	33
Loans secured by real estate:		
Construction and land development	6,245	10
Revolving, open-end loans secured by 1- to 4-family residential properties	0	0
All other loans secured by 1- to 4-family residential properties	13,258	22
Secured by multifamily (5 or more) residential properties	175	0
Secured by nonresidential properties	17,735	30
Consumer instalment loans	2,635	4
Consumer open-end loans	424	1
Other loans LESS any unearned income	(100)	0
Total	60,011	100

DESCRIPTION OF THE BANK'S ASSESSMENT AREA

The bank's assessment area does not arbitrarily exclude any low- and moderate-income areas. The bank's assessment area, which is the geographic area the bank has designated as its service area, includes all of Teton County, Wyoming. This area includes the city of Jackson and the towns of Moose, Wilson, and Alta.

According to the 1990 census, the population of Teton County, including the city of Jackson, was 11,172. The 1996 median family income for nonmetropolitan Wyoming was \$40,900.

There are a total of three block numbering areas (BNAs) in the assessment area. The following table shows the distribution of those tracts among the four income categories.

INCOME CLASSIFICATION OF BNAs IN THE BANK'S ASSESSMENT AREA				
	Low ¹	Moderate ²	Middle ³	Upper ⁴
Number of Tracts	0	0	2	1
Percentage of Total Tracts	0	0	67	33

¹ Less than 50 percent of the Wyoming nonmetropolitan area median family income.

² At least 50 percent and less than 80 percent of the Wyoming nonmetropolitan area median family income.

³ At least 80 percent and less than 120 percent of the Wyoming nonmetropolitan area median family income.

⁴ 120 percent or more of the Wyoming nonmetropolitan median family income.

The local economy is strong. Community contacts indicated the affordable housing is the biggest need in the city of Jackson.

The Jackson economy is heavily dependent upon tourism and the resort industry and are considered exclusive resort areas. The local hotels, restaurants, ski areas, and local city and county governments are among the major employers in Jackson.

The Jackson areas also boast the highest real estate and median income figures in the state of Wyoming. According to the 1990 U.S. Census information, the median family income for the assessment area was \$35,840, higher than the median income for the state of Wyoming of \$32,096. Local officials estimate that this gap has widened since the 1990 census. Many individuals working in Jackson commute long distances because of housing availability and cost issues. According to local estimates, the median income for Teton County was in excess of \$49,000 in 1995, and the average selling price in 1996 for a single-family home in Jackson was around \$600,000 with the median price of \$320,000.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance under the CRA is Outstanding. The bank's performance under each of the five small institution assessment criteria is summarized on the following pages.

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio, which contrasts the level of loans to deposits, is more than reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio for the last four quarters, based on Call Report information, is 84 percent. This ratio is higher than that of one other bank located in the bank's assessment area (76 percent) and much higher than peer group banks nationwide of 62 percent.

Lending in Assessment Area

A majority of loans reviewed are in the bank's assessment area. This is based on the loan sample reviewed during the examination using sampling software procedures. Three loan types were sampled including consumer loans, real estate-secured loans, and small business loans. Overall, 77 percent of the number and 58 percent of the dollar amount of the loans sampled were made in the bank's assessment area.

The following table shows the percentage of loans in the assessment area for each loan type sampled.

DISTRIBUTION OF LOANS IN AND OUT OF THE ASSESSMENT AREA								
	<i>Inside the Assessment Area</i>				<i>Outside the Assessment Area</i>			
	Number of Loans	%	\$ Amount of Loans	%	Number of Loans	%	\$ Amount of Loans	%
Consumer loans	44	79	609,106	75	12	21	207,742	25
Real estate-secured loans	19	54	2,915,488	42	16	46	3,945,374	58
Small business loans	43	93	3,787,410	78	3	7	1,075,248	22

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

The distribution of loan originations across the bank's assessment area by income level of borrowers was satisfactory. This analysis was also completed using the

same sample mentioned above. Comparisons were made of borrowers' income levels to the average median income for the bank's assessment area. This review showed that 57 percent of the total number of consumer loans and 5 percent of other real estate-secured loans, for a total of 41 percent of all consumer loans sampled, were to low- and moderate-income borrowers (borrowers whose average family income is 0 to 80 percent of the 1990 state of Wyoming median family income for nonmetropolitan areas). This compares favorably with the number of low- and moderate-income families located in the bank's assessment area, which equaled 27 percent.

The table on the following page shows the distribution of consumer loans sampled in the bank's assessment area by income level of borrower. It illustrates the bank's efforts to lend to low- and moderate-income families located in its assessment area.

DISTRIBUTION OF CONSUMER LOANS SAMPLED IN THE ASSESSMENT AREA BY INCOME LEVEL OF BORROWER								
	Consumer				Real Estate-Secured			
	Number	%*	Dollar	%*	Number	%*	Dollar	%*
Low-income ¹	13	30	62,992	10	0	0	0	0
Moderate-income ²	11	25	85,090	14	1	5	148,000	5
Middle-income ³	8	14	238,236	39	5	26	475,524	16
Upper-income ⁴	14	32	222,788	37	13	68	2,293,964	79

¹ Less than 50 percent of the 1990 state of Wyoming nonmetropolitan area median family income.

² At least 50 percent and less than 80 percent of the 1990 state of Wyoming nonmetropolitan area median family income.

³ At least 80 percent and less than 120 percent of the 1990 state of Wyoming nonmetropolitan area median family income.

⁴ 120 percent or more of the 1990 state of Wyoming nonmetropolitan area median family income.

* May not total 100 percent due to rounding.

The sample of small business loans (loans with original amounts of \$1 million or less) showed that the bank is making loans to businesses of different sizes. The sample showed that 91 percent of the number and 79 percent of the dollar volume of small business loans sampled were to businesses with gross annual revenues less than \$1 million. A review of the number of loans by category is noteworthy.

Specifically, 82 percent of the number and 74 percent of the dollar volume of loans in the assessment area were to businesses with gross annual revenues of less than \$500,000.

DISTRIBUTION OF BUSINESS LOANS SAMPLED WITHIN THE ASSESSMENT AREA				
Revenue Category ¹	Number of Loans	%	Dollar of Loans	%
Less than \$100,000	16	37	529,508	14
Greater than or equal to \$100,000 but less than \$250,000	10	24	1,797,116	46
Greater than or equal to \$250,000 but less than \$500,000	9	21	537,295	14
Greater than or equal to \$500,000 but less than \$1,000,000	4	9	210,060	5
Greater than or equal to \$1,000,000	4	9	813,492	21

¹ Based on gross annual revenue figures.

Geographic Distribution of Loans

The bank's overall geographic distribution of loans reflects satisfactory dispersion throughout populated areas of the assessment area. There are only three BNAs in the bank's assessment area. Two are medium income areas surrounding the city of Jackson and the third BNA is an upper income BNA that takes in the rest of Teton County. Approximately 97 percent of the bank's assessment area is federal or state owned land. Because of the above demographics all of the loans in the assessment area are located in middle- and upper-income BNAs.

DISTRIBUTION OF LOANS ACROSS THE ASSESSMENT AREA BY INCOME LEVEL OF BNAs								
	Low-Income ¹		Moderate-Income ²		Middle-Income ³		Upper-Income ⁴	
	#	\$	#	\$	#	\$	#	\$
Consumer	0	0	0	0	36	522,299	8	86,807
<i>Percent of Total</i>	0	0	0	0	82	86	18	14
Real Estate-Secured	0	0	0	0	13	1,552,783	6	1,362,750
<i>Percent of Total</i>	0	0	0	0	68	53	32	47
Small Business	0	0	0	0	36	2,923,046	7	864,364
<i>Percent of Total</i>	0	0	0	0	84	82	16	22
Number of BNA tracts in Assessment Area	0		0		2		1	
<i>Percentage of Tracts*</i>	0		0		67		33	
Number of Families by BNA Tract	0		0		2,149		758	
<i>Percentage of Families*</i>	0		0		74		26	

¹ BNA tracts having less than 50 percent of the Wyoming nonmetropolitan area median family income.

² BNA tracts having at least 50 percent and less than 80 percent of the Wyoming nonmetropolitan area median family income.

³ BNA tracts having at least 80 percent and less than 120 percent of the Wyoming nonmetropolitan area median family income.

⁴ BNA tracts having 120 percent or more of the Wyoming nonmetropolitan median family income.

* May not total 100 percent due to rounding.

As reflected in the table above, these results are in line with the area demographics, which indicate that 74 percent of the families located in the assessment area are located in the middle-income BNAs. This compares favorably with the bank's results of 78 percent of the bank's loans located in the middle income areas.

Response to Complaints

The bank has received no complaints about its performance in meeting assessment area credit needs. Therefore, no assessment of the bank's performance in responding to complaints was made.

