



**Comptroller of the Currency
Administrator of National Bank**

Public Disclosure

August 12, 1997

Community Reinvestment Act Performance Evaluation

**Dubois National Bank
Charter Number 15205**

**502 West Ramshorn
Dubois, Wyoming 82513**

**Office of the Comptroller of the Currency
50 Fremont Street, Suite 3900
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.

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 CRA performance of **Dubois National Bank** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of August 12, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated "**Outstanding**".

Dubois National Bank (DNB) demonstrates outstanding performance in meeting its community's credit needs. This is evidenced by a more than reasonable loan-to-deposit ratio and a substantial majority of the bank's loans being within its assessment area. The bank's lending activity also shows very good distribution among individuals of different income levels (including low- and moderate-income individuals).

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

Small Institution Assessment Criteria	Dubois National Bank 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	Not Meaningful		
Response to complaints	No complaints have been received since the prior examination.		

Description of Institution

Dubois National Bank operates with one office located in Dubois, Wyoming. The bank has approximately \$20 million in assets, nearly \$15 million in loans, and \$18 million in deposits. There are no constraints on the bank's ability to meet various credit needs within its assessment area.

Lending activity has been strong over the past several years. The bank's lending activities meet a variety of credit needs, with a significant distribution in residential and commercial real estate. The loan portfolio is distributed by percentage as follows: Residential Real Estate 45%, Commercial Real Estate 24%, Commercial Loans 12%, Consumer Loans 7%, Construction Loans 3%, and Farm Real Estate 3%.

Description of Dubois, Wyoming:

The bank's assessment area is comprised of one block numbering area (BNA) which consists primarily of the City of Dubois and adjacent housing tracts. Using 1990 census figures, Dubois has a population of 965, and the assessment area as a whole has a population of 1,448. The BNA has a median family income of \$26,184. The estimated non-MSA median family income for Wyoming is \$41,900.

The local economy is dominated by tourism. Tourists come to the area for its abundant outdoor recreational opportunities and proximity to Yellowstone National Park and Jackson Hole, Wyoming. Mining, industry, and agriculture have only a limited impact on the area. In recent years, the community experienced rapid appreciation in real estate values. This was the result of in migration by individuals seeking retirement locations and/or second homes. However, over the past 18 months prices have softened and rental rates have fallen. Vacancy rates for rental property have increased. Lower housing prices overall have contributed to the greater availability of low- and moderately-priced housing (homes priced between \$55,000 and \$90,000).

The community and business leaders we contacted agreed that there has been a gradual downturn in the economy. While home sales for the most recent six months have showed signs of improvement, recent figures for retail sales in Dubois and surrounding tourist areas have declined.

In general, the community leaders feel that credit products are reasonably accessible. Their perception of Dubois National Bank is very positive.

Banking competition in the community is minimal. DNB is the only financial institution in the community. Lenders from other markets do some lending in the area but have not aggressively pursued the Dubois market.

Conclusions with Respect to Performance Criteria

Loan to Deposit Analysis:

DNB exhibits a more than reasonable loan-to-deposit (LTD) ratio when considering the ratios of similarly situated institutions. The bank's LTD ratio averaged 76% over the past eight quarters and as of June 30, 1997, was 81%. The eight quarter average for National and State banks, with assets of less than \$250 million, located in the state of Wyoming is 55% and 59% respectively. We also compared DNB to other Wyoming banks with assets of less than \$50 million and populations between 500 and 1500 people. The group included five banks located in Afton, Pinedale, Lusk, Guernsey and Pine Bluff. The most recent eight quarter average for the five banks is 49%. Pinedale and Afton are the closest in proximity to the bank, and they also are dependent to a large degree on tourism and traffic to and from Yellowstone National Park and Jackson Hole. The eight quarter average for these two banks is 38.5%.

Comparison of Credit Extended Inside and Outside of the Assessment Area:

The substantial majority of the bank's lending activity takes place within the Dubois block numbering area (BNA) 9830. As of June 30, 1997, \$10.3 million of the bank's \$14.7 million total loans, or 70% of the loan dollar volume, were to borrowers living in Dubois. An additional \$3.3 million were to part-time and out of state residents, collateralized by property within the Dubois 9830 BNA. With the addition of loans to part-year residents, approximately 92% of the bank's loans were to borrowers within its assessment area. The town of Crowheart is approximately 30 miles from Dubois and accounts for \$690,000 or 5% of the bank's out of area lending. The bulk of the remaining out of area loan dollars consists of \$350,000 in participation loans purchased from their affiliate bank (Riverton State Bank) in Riverton, Wyoming.

Distributions of Credit Within the Assessment Area(s) by Geography:

The assessment area's one BNA did not provide sufficient data to support a meaningful analysis of the distribution of lending in geographies of different income levels. The BNA's character is such that expensive custom built homes are often located next to homes of far less cost and quality. The bank monitors its residential lending using a city map which designates all loans secured by first position mortgages on 1-4 family residences and any declined residential applications. The map shows an excellent distribution of loans throughout the township. The volume of declined loans is minimal and a disproportionate level of declined loans are not prevalent in any one area.

Distribution of Credit within the Assessment Area(s) by Borrower Income:

The bank's lending activity is roughly proportional to the distribution of income levels within the assessment area. We sampled 30 of 39 consumer real estate loans originated between December 1996 and June 1997. This is the largest portion of the bank's portfolio at 45%. Loans to low- and moderate-income families and individuals accounted for 56% of the loans made. Low- and moderate-income families make up 48% of the population living in the assessment area.

Income Level	% of Families in Assessment Area	% of Sample Consumer Real Estate
<i>Low</i>	30.09%	26%
<i>Moderate</i>	18.01%	30%
<i>Middle</i>	28.20%	14%
<i>Upper</i>	23.70%	30%

The bulk of the bank's lending to business borrowers is centered in very small loans to part-time or cottage businesses. We reviewed 10 recent loans (loans made within the past 90 days). All of the loans reviewed were to businesses with annual gross revenues or income of less than \$1,000,000. All of the businesses reviewed were located within the bank's assessment area.

Gross Annual Revenues or Income	Percent of Sample
Under \$100,000	70%
\$100,000-\$499,999	20%
\$500,000-\$999,999	10%
Over \$1,000,000	0%

CRA Complaints:

The bank has not received any complaints regarding its CRA performance since the prior examination.

Other Information:

We did not identify any violations of the substantive provisions of anti-discrimination laws and regulations during this examination.