



**Conditional Approval #1193  
April 2018**

March 9, 2018

Board of Directors  
First Citizens Bank of Polson, NA  
213 First Street West  
Polson, MT 59860

Subject: Application for Increase in Permanent Capital  
OCC Control No. 2018-HQ-Capital&Div-302286  
Charter No. 24670

Dear Members of the Board:

The Office of the Comptroller of the Currency (OCC) conditionally approves the application by First Citizens Bank of Polson, NA, Polson, Montana (the Bank) for a \$1,000,000 increase in permanent capital as outlined in your application dated March 7, 2018.<sup>1</sup> The application indicated the increase in permanent capital would occur through a cash contribution of \$1,000,000 from the Bank's holding company, Flathead Lake Bancorporation, Inc., to the Bank's capital surplus account soon after approval.<sup>2</sup>

This approval is subject to the following conditions:

1. The Bank shall strictly adhere to the requirements of the revised November 2017 Strategic and Capital Plans (collectively, Plans) submitted January 8, 2018, for which the Bank's board of directors received a written conditional non-objection from the OCC's Special Supervision Division on March 7, 2018.
2. The Bank shall not make a material change to, or significantly deviate from, these Plans unless the Bank has first given the Special Supervision Division at least sixty (60) days prior written notice of its intent to do so, and obtained the OCC's prior written determination of no supervisory objection (NSO) to such action. The OCC may impose

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<sup>1</sup> 12 CFR 5.46(g)(1)(i)(A) provides that a national bank need not obtain a prior OCC approval to increase its permanent capital unless the bank is required to receive such approval pursuant to letter, order, directive, written agreement, or otherwise. Pursuant to the OCC's November 20, 2017 letter to the Bank's board of directors, the OCC has required the Bank to file an application, and receive prior approval, for an increase in permanent capital.

<sup>2</sup> On February 21, 2018, the Federal Reserve Bank of Minneapolis issued its non disapproval of the notification filed by Brian Solsrud pursuant to the Change in Bank Control Act of 1978 to individually acquire control of 25 percent or more of Flathead Lake Bancorporation, Inc., Polson, Montana.

First Citizens Bank of Polson, NA  
Permanent Capital Increase  
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additional conditions it deems appropriate in a written determination of NSO to the Bank's request.

These conditions are subject to 12 USC 1818 and will remain in effect after capital changes are completed. In addition, the conditions of this approval are conditions "imposed in writing by a federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

This conditional approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this conditional approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Please be reminded that following completion of the capital contribution, the Bank must file the required notice pursuant to 12 CFR 5.46(i)(3) with Licensing Activities to certify the change in permanent capital.

If you have any questions, please contact Senior Licensing Analyst Stephanie N. Moss at (202) 649-7243 or [stephanie.moss@occ.treas.gov](mailto:stephanie.moss@occ.treas.gov). You should include the OCC Control Number on any correspondence related to this filing.

Sincerely,

/s/

Stephen A. Lybarger  
Deputy Comptroller for Licensing  
Licensing Activities