



PUBLIC DISCLOSURE

April 12, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Gillette
Charter Number 15158

319 South Gillette Avenue
Gillette, WY 82716

Office of the Comptroller of the Currency

Seattle Field Office
101 Stewart Street, Suite 1010
Seattle, WA 98101

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, and should not 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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Overall CRA Rating

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

The lending test is rated: Outstanding.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on the state of Wyoming, and within the county of Campbell County.
- A substantial majority of loans were originated within the assessment area (AA), by both number and dollar amount.
- The distribution of home mortgage to individuals of different incomes or income levels was excellent.
- The distribution of commercial loans to businesses with less than a million dollars in revenue was excellent.
- The bank's loan-to-deposit (LTD) ratio was reasonable given the size, financial condition, and credit needs of the local community.
- The Community Development (CD) Test rating is based on the state of Wyoming, and within the county of Campbell County.
- First National Bank of Gillette (FNBG or bank) provided an overall excellent level of CD loans, including through their significant participation in qualifying Paycheck Protection Program (PPP) loans to support the local economic development, and job preservation during the Coronavirus Disease 2019 (COVID-19) pandemic.
- An overall adequate level of CD services.
- An overall adequate level of qualified investments.

Loan-to-Deposit Ratio

Considering First National Bank of Gillette's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio is reasonable. The bank's average LTD ratio for the three years ended December 31, 2020, is 27.3 percent. We compared FNBG's average LTD ratio with five similarly situated banks, with sizes and footprints that are similar to FNBG's profile. They had an average LTD ratio of 51.9 percent for the same period. During the same period, FNBG had a highest quarterly LTD ratio of 32.4, and a lowest of 24.3 percent. In comparison, the peer banks had a high of 80.7 percent, and a low of 29.3 percent for the same period. While FNBG has a lower level LTD than their peers, there are a few mitigants. The bank originates a large number of loans which are sold on the secondary market. Because these loans are no longer reported on the bank's balance sheet, they are not included in the LTD ratio. Additionally, the bank holds significant public funds that are not used to fund loans, which negatively impacts the bank's LTD ratio. Controlling for these factors results in an LTD of 36.8 percent for the fourth quarter of 2020, which is comparable to peer banks in the area. This LTD ratio is reasonable given the demographics, and credit needs of the assessment area. When performing this analysis, we also considered the level of competition present in the AA relative to the AA's population, and our conversations with a community contact regarding the local area's credit needs.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its assessment area.

Based on sampling completed as part of this examination, the bank originated and purchased 90 percent of the tested loans inside the bank's AA during the evaluation period. By dollar amount, this consisted of 89 percent of loans to benefit individuals and businesses located within the bank's assessment area. This analysis was performed at the AA level for Campbell County. This percentage does not include extensions of credit by affiliates that may be considered under other performance criteria. This meets the standard for outstanding performance.

| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
|---------------|-----------------|-----------|----------|-----------|------------|------------------------------------|-----------|------------|-----------|-------------------|
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Residential | 20 | 100 | 0 | 0 | 20 | 4,450 | 100 | 0 | 0 | 4,450 |
| Commercial | 16 | 80 | 4 | 20 | 20 | 1,846 | 70 | 783 | 30 | 2,629 |
| Total | 36 | 90 | 4 | 10 | 40 | 6,297 | 89 | 783 | 11 | 7,079 |

*Source: Bank Data
Due to rounding, totals may not equal 100.0*

Description of Institution

First National Bank of Gillette is a full-service community bank headquartered within Gillette, Wyoming. FNBG operates three branches, all of which are located within Gillette. The bank was founded in 1963 and has been centered around Gillette since its inception. Each branch offers similar products and services and has similar hours of operations from 9:00AM to 5:00PM. The branch located at 2400 South Douglas Highway is also open on Saturdays from 8:00AM to 12:00PM. The bank operates three Automated Teller Machines, one at each of its branch locations. There were no changes to branch locations during the evaluation period. Additional services include online banking.

Each branch offers similar products and services, including retail and commercial deposit and loan products. The bank has two primary lending products in home mortgage loans and commercial real estate loans. Lending products offered to individuals include fixed and variable rate home mortgage loans, personal loans, home equity lines of credit, and land construction loans. Business loan types include commercial real estate, multifamily, commercial and industrial, and construction and land development loans. In 2020, due to the pandemic, FNBG began to offer Small Business Administration (SBA) Paycheck Protection Program loans to small businesses. The bank's suite of deposit products includes checking accounts, savings accounts, and certificates of deposit.

As of December 31, 2020, FNBG reported total assets of \$617.7 million, total deposits of \$536.6 million, and tier one capital of \$72.2 million. Net loans and leases were \$167.8 million, or 31.3 percent

of total deposits. Because FNBG sells many of their home loans on the secondary market, the loan portfolio features a higher proportion of business loans than indicated by the origination data.

FNBG is a subsidiary of First National Bank of Gillette Holding Company, which is also headquartered in Gillette, Wyoming. FNBG is also affiliated with Converse County Bank in Douglas, Wyoming.

There are no financial or legal impediments which restrict FNBG's ability to meet the credit needs of its AA. The bank received a rating of "Satisfactory" at the prior Community Reinvestment Act (CRA) examination conducted by the Office of the Comptroller of the Currency dated April 2, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The bank's performance was evaluated using the Intermediate Small Bank (ISB) criteria. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The CD Test evaluates the bank's record of responding to CD needs in its AA through CD lending, qualified investments, donations, and services.

We determined that FNBG's primary loan products were home mortgage loans, and commercial real estate loans based on a review of loans originated during the assessment period. The lending data demonstrates that commercial loans represent 53.1 percent of loans by dollar amount, and 34.3 percent of total loans originated. Home mortgage loans represent 31.4 percent of the total loans by dollar amount, and 24.5 percent of total loans originated. The table below summarizes loan originations during the review period.

| <i>Loans Originated and Purchased by Product Type During Evaluation Period</i> | | | | |
|--|-----------------|--------------|---------------------------------|--------------|
| | Number of Loans | | Dollar Amounts of Loans \$(000) | |
| | # | % | \$ | % |
| Commercial | 821 | 34.3 | 140,284 | 53.1 |
| Home Mortgage | 589 | 24.5 | 83,108 | 31.4 |
| Consumer | 845 | 35.2 | 26,339 | 10.0 |
| Agricultural | 141 | 5.8 | 14,590 | 5.5 |
| TOTAL | 2,396 | 100.0 | 264,321 | 100.0 |

Source: Bank Data. Due to rounding, totals may not equal 100.0%

The performance evaluation covers commercial real estate loans, and home mortgage loans originated or purchased between January 1, 2018, through December 31, 2020. Consumer and agricultural lending were not evaluated as the volume did not meet the required level for evaluation. We reviewed CD loans, investments, and services for the period April 2, 2019, through December 31, 2020. In instances where the bank has fewer than 20 loans, an analysis will not be performed, as fewer than 20 loans is deemed too small for a meaningful analysis.

FNBG is not required to report mortgage lending data by the Home Mortgage Disclosure Act (HMDA). As such, loan data was based on a sampling of loans for each of the primary products on loans originated during the evaluation period. In addition, we used aggregate home loan data provided by the bank despite the bank not being a HMDA reporter. For the aggregate data, we conducted testing to ensure it was accurate prior to utilizing it. For 2020, peer data is based on 2019, as 2020 peer data was

not yet available at the time of the examination. The U.S. Census Bureau's American Community Survey (ACS) 2011-2015 is used as the source of demographic data and census tract (CT) income levels. For all CD activities except PPP lending, we tested and individually verified all activities to confirm CRA eligibility. For PPP lending, we took a sample of PPP loans, and verified that the sampled loans would be eligible under the CRA. Our testing reported that the activities documented below met the qualification requirements under the CRA. We included in this evaluation all activities that met the definition of CD.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is solely based on the Wyoming state rating, as it is the only rating area for the bank. As well, the bank has only one AA in Campbell County, so the rating is based on our review of activities within Campbell County.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Wyoming

CRA rating for the State of Wyoming¹: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

Lending Test

- FNBG originated a substantial majority of its loans, by number and by dollar amount, inside the AA during the evaluation period.
- The bank's loan-to-deposit ratio is reasonable given its size, financial condition, and the credit needs of its communities.
- An overall excellent distribution of home mortgage loans among individuals of different income levels.
- An overall excellent distribution of commercial loans to businesses of different sizes, and income levels.

Community Development Test

- The Community Development Test rating is based solely on the state of Wyoming.
- An overall excellent level of CD loans, which includes qualifying Paycheck Protection Program lending to support economic development and job preservation during the COVID-19 pandemic.
- An overall adequate level of CD services.
- An overall adequate level of qualified investments.

Description of Institution's Operations in Wyoming

Campbell County

The Campbell County AA consists of the entirety of Campbell County, Wyoming. This includes the city of Gillette, and the surrounding area. The county is located in northeastern Wyoming, and is bordered by Crook County (northeast), Weston County (southeast), Converse County (south), Johnson County (southwest), and Sheridan County (west). Campbell County is bordered to the north by Montana. Gillette is the county seat of Campbell County and is the largest population center in the region. Most of the region is characterized by small towns, and rural areas.

All of the bank's branches are located within this assessment area, and all three of them are located within Gillette, Wyoming. Gillette is the economic and population hub for the area. The population of the area is 48,013 residents, with 32,030 of them living within Gillette. As of 2020, there are seven census tracts within the AA, including three middle-income, and four upper-income CTs. There are no

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

low or moderate-income tracts. The bank has one branch located in a middle-income tract, and two branches located in upper-income tracts.

The Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report as of June 30, 2020, indicates 10 financial institutions held \$1.3 billion in deposits within the AA. There are 14 branches split between these ten banks within the AA. Competition is split between national, regional, and community banks. FNBG is the largest entity in the AA, with a market share of 39.4 percent. The largest competitors are First Interstate Bank; Wells Fargo Bank, N.A.; and Pinnacle Bank which have a combined market share of 43.9 percent.

The Federal Financial Institutions Examination Council (FFIEC) Median Family Income (MFI) report indicates the MFI for non-MSA portions of Wyoming was \$72,833 in 2015 and had grown to \$79,700 in 2020. Data collected in the 2015 ACS estimates, relative to the MFI stated above, 15 percent of the families living in the AA are low-income, 12.7 percent are moderate-income, 21.1 percent are middle-income, and 51.2 percent are upper-income. In total, 27.7 percent of the families within the AA have income levels that are low- and moderate-income (LMI), and only 5.4 percent of families in the AA are below the poverty line.

According to a 2020 Moody's Analytics report for Wyoming, the primary industries include energy & resources, defense, and agriculture. The state has seen a two-front downturn both as a result of COVID-19 and a downturn in the energy sector. The state has seen an increase in unemployment in 2020, rising to 6.2 percent from 3.6 percent in 2019. The state's budget is heavily tied to energy prices, and this has led to a contraction in available tax revenue. This has led to ongoing significant state budget cuts.

There are 19,525 housing units in Campbell County. The median home value based on the 2019 ACS Financial Characteristics for Housing Units with a Mortgage is \$264,200. When compared to the adjusted 2020 FFIEC MFI report data listed earlier, this impacts low- and moderate-income family's ability to purchase homes in the AA. While the average house prices are generally affordable, LMI families can still struggle with home ownership. For example, based on income at 50 percent of median, low-income families can afford \$910 in housing costs per month. This is based on an industry standard measure of home affordability, which equates to 30 percent of income as affordable. A standard 30-year mortgage payment based on the median housing value of \$264,200 would be \$1,418 per month, and this assumes no down payment, a five percent interest rate, and excludes real estate taxes, insurance, and other homeowner expenses. Housing prices have not drastically changed since our prior exam.

We conducted two community development contacts in conjunction with this examination. The contacts indicated that the local economy is dependent on the energy sector. The contacts indicated there has been a negative trend in the energy sector, as coal power plants shut down. They also indicated this has been exacerbated by the pandemic, which has caused a downturn in other industries such as with local retail. They indicated that the local housing market is competitive, and while there is a supply of houses for all income levels, the relatively low level of supply for housing is putting pressure particularly on low-income housing, and on starter homes. The contacts indicated they have had positive relationships with the local banks, and that they have been responsive in their involvement in meeting the local community's needs. They highlighted efforts to support the community through the use of PPP lending as a particular recent beneficial action.

| Table A – Demographic Information of the Assessment Area | | | | | | |
|---|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| Assessment Area: Campbell County WY | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 7 | 0.0 | 0.0 | 42.9 | 57.1 | 0.0 |
| Population by Geography | 48,013 | 0.0 | 0.0 | 38.0 | 62.0 | 0.0 |
| Housing Units by Geography | 19,525 | 0.0 | 0.0 | 40.6 | 59.4 | 0.0 |
| Owner-Occupied Units by Geography | 12,651 | 0.0 | 0.0 | 38.2 | 61.8 | 0.0 |
| Occupied Rental Units by Geography | 4,859 | 0.0 | 0.0 | 42.8 | 57.2 | 0.0 |
| Vacant Units by Geography | 2,015 | 0.0 | 0.0 | 49.8 | 50.2 | 0.0 |
| Businesses by Geography | 3,162 | 0.0 | 0.0 | 46.2 | 53.8 | 0.0 |
| Farms by Geography | 128 | 0.0 | 0.0 | 45.3 | 54.7 | 0.0 |
| Family Distribution by Income Level | 12,193 | 15.0 | 12.7 | 21.1 | 51.2 | 0.0 |
| Household Distribution by Income Level | 17,510 | 14.4 | 12.2 | 17.1 | 56.4 | 0.0 |
| Median Family Income Non-MSAs - WY | | \$79,700 | Median Housing Value | | | \$264,200 |
| | | | Median Gross Rent | | | \$1097 |
| | | | Families Below Poverty Level | | | 5.4% |
| <i>Source: 2015-2019 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> | | | | | | |

Scope of Evaluation in Wyoming

Ratings in the state of Wyoming are based on the bank's performance in its only AA, Campbell County. As such, we selected Campbell County for a full-scope review, because the county represents the vast majority of FNBG's deposits, commercial and home mortgage lending, and CD activity.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WYOMING

LENDING TEST

The bank's performance under the Lending Test in Wyoming is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Wyoming is excellent.

Distribution of Loans by Income Level of the Geography

We did not conduct a geographic distribution test because the bank's AA had no LMI CTs during the evaluation period.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Wyoming section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans to borrowers of different income levels indicates an excellent dispersion to borrowers of all income levels. Our analysis was conducted by utilizing aggregated data across the entire three-year review period. FNBG originated 7.8 percent of their home mortgage loans to low-income borrowers, and 22.1 percent to moderate-income borrowers. This compares favorably to peer, which originated 4.6 percent and 13.7 percent to low- and moderate-income borrowers respectively. However, while it is higher than demographic information for moderate-income borrowers at 12.7 percent, the bank's loan originations to low-income borrowers is under the demographic makeup of 15 percent. We considered the lack of affordable housing for low-income borrowers, the average price of houses, and the high median income in our conclusions.

Small Loans to Businesses

Refer to Table R in the state of Wyoming section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of commercial loans to small businesses indicates an excellent dispersion to CTs of all income levels. Our analysis was conducted utilizing a sample of commercial loans originated across the entire three-year review period. Within the AA, 77.2 percent of businesses have revenues under \$1 million. Within our sample, FNBG originated 70 percent of their loans to businesses with revenues under \$1 million. This significantly exceeds peer at 41.8 percent. For our evaluation, we placed more emphasis on bank performance relative to peer institutions as the bank’s ability to maintain their lending relative to their peer institutions despite the depressed local economy is significant.

Responses to Complaints

There have been no consumer complaints relating to the bank’s Community Reinvestment Act performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development Test in the state of Wyoming is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AA.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank’s level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

| <i>Community Development Loans</i> | | | | |
|------------------------------------|-------|--------------|-----------|---------------|
| Assessment Area | Total | | | |
| | # | % of Total # | \$(000’s) | % of Total \$ |
| Campbell County | 14 | 100 | 3,586 | 100 |

Listed below is a PPP Table, which sets forth information on FNBG’s PPP lending activity that qualified for CD recognition.

| <i>Paycheck Protection Program Loans</i> | | | | |
|--|-----|------------|-----------|---------------|
| Assessment Area | # | % of Total | \$(000’s) | % of Total \$ |
| Campbell County | 365 | 100 | 53,403 | 100 |

FNBG’s CD lending performance demonstrates excellent responsiveness to meeting the credit and community service needs of its AA. During the evaluation period, the bank originated 14 community development loans totaling approximately \$3.6 million. They also originated 365 CD qualifying PPP loans in 2020 with a total of \$53.4 million for a combined total of \$57 million over 379 loans. This is significant volume at approximately 75 percent of total capital. This meets the standard for outstanding performance.

Examples of CD qualifying loans made during the evaluation period:

- \$130 thousand dollar loan to fund affordable housing.
- \$287.5 thousand dollar PPP loan to a group home for people with mental or physical disabilities.
- \$238 thousand loan to fund affordable housing.

Number and Amount of Qualified Investments

| Qualified Investments | | | | | | | | | | |
|-----------------------|---------------|-----------|----------------|-----------|-------|--------------|-----------|---------------|------------------------|-----------|
| Assessment Area | Prior Period* | | Current Period | | Total | | | | Unfunded Commitments** | |
| | # | \$(000's) | # | \$(000's) | # | % of Total # | \$(000's) | % of Total \$ | # | \$(000's) |
| Campbell County | 0 | 0 | 50 | 3,077 | 50 | 100 | 3,077 | 100 | 0 | 0 |

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank’s CD investment performance demonstrates adequate responsiveness to community service needs. During the evaluation period, the bank donated \$3 million to help meet the needs of the local community. All but one investment consisted of donated funds, which are more impactful as they do not require repayment of the participants. There were no prior period investments, and no unfunded commitments.

Examples of investments made during the evaluation period:

- A \$3 million investment to fund an LMI senior living facility in Campbell County.
- A \$30 thousand dollar donation to help improve the local economy through an economic development group.
- \$1 thousand dollars to help provide supplies for victims of domestic violence.

Extent to Which the Bank Provides Community Development Services

The bank provides an adequate level of CD services in Campbell County. Bank employees contributed a total of 754 hours of CD services to seven different local community organizations that target community services to low- or moderate-income individuals or promote economic development activities.

Examples of Services include:

- Providing 56 hours as a board member for a non-profit organization that supports local small businesses and job creation.
- Providing 96 hours as a board member for an organization that builds affordable housing for low- or moderate-income individuals.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

| | | |
|---|--|--------------------------|
| Time Period Reviewed: | (01/01/18 to 12/31/21) | |
| Bank Products Reviewed: | (Home mortgage and small business loans) (Community development loans, qualified investments, community development services) | |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| | | |
| List of Assessment Areas and Type of Examination | | |
| Rating and Assessment Areas | Type of Exam | Other Information |
| Wyoming | | |
| Campbell County | Full Scope | |
| | | |
| | | |
| | | |

Appendix B: Summary of MMSA and State Ratings

| RATINGS (BANK NAME) | | | |
|---------------------------------|----------------------|----------------|--------------------------------------|
| Overall Bank: | Lending Test Rating* | CD Test Rating | Overall Bank/State/Multistate Rating |
| First National Bank of Gillette | Outstanding | Outstanding | Outstanding |
| MMSA or State: | | | |
| State of Wyoming | Outstanding | Outstanding | Outstanding |
| | | | |
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| | | | |

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal

to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018-20

| Assessment Area: | Total Home Mortgage Loans | | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | |
|--------------------|---------------------------|--------|------------|----------------|----------------------|--------------|------------|---------------------------|--------------|-------------|-------------------------|--------------|-------------|------------------------|--------------|-------------|--------------------------------|--------------|-------------|
| | # | \$ | % of Total | Overall Market | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate |
| Campbell County WY | 714 | 80,872 | 100 | 1,499 | 15.0 | 7.8 | 4.6 | 12.7 | 22.1 | 13.7 | 21.1 | 30.4 | 18.5 | 51.2 | 39.6 | 25.4 | 0.0 | -- | 37.8 |
| Total | 714 | 80,872 | 100 | 1,499 | 15.0 | 7.8 | 4.6 | 12.7 | 22.1 | 13.7 | 21.1 | 30.4 | 18.5 | 51.2 | 39.6 | 25.4 | 0.0 | -- | 37.8 |

Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2018-20

| Assessment Area: | Total Loans to Small Businesses | | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | |
|--------------------|---------------------------------|--------------|------------|----------------|---------------------------------|--------------|-------------|--------------------------------|--------------|--|--------------|
| | # | \$ | % of Total | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans |
| Campbell County WY | 20 | 2,629 | 100 | 735 | 77.2 | 70.0 | 41.8 | 7.3 | 30.0 | 15.5 | -- |
| Total | 20 | 2,629 | 100 | 735 | 77.2 | 70.0 | 41.8 | 7.3 | 30.0 | 15.5 | -- |

Source: 2020 D&B Data; Loan Sample; 2019 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%