



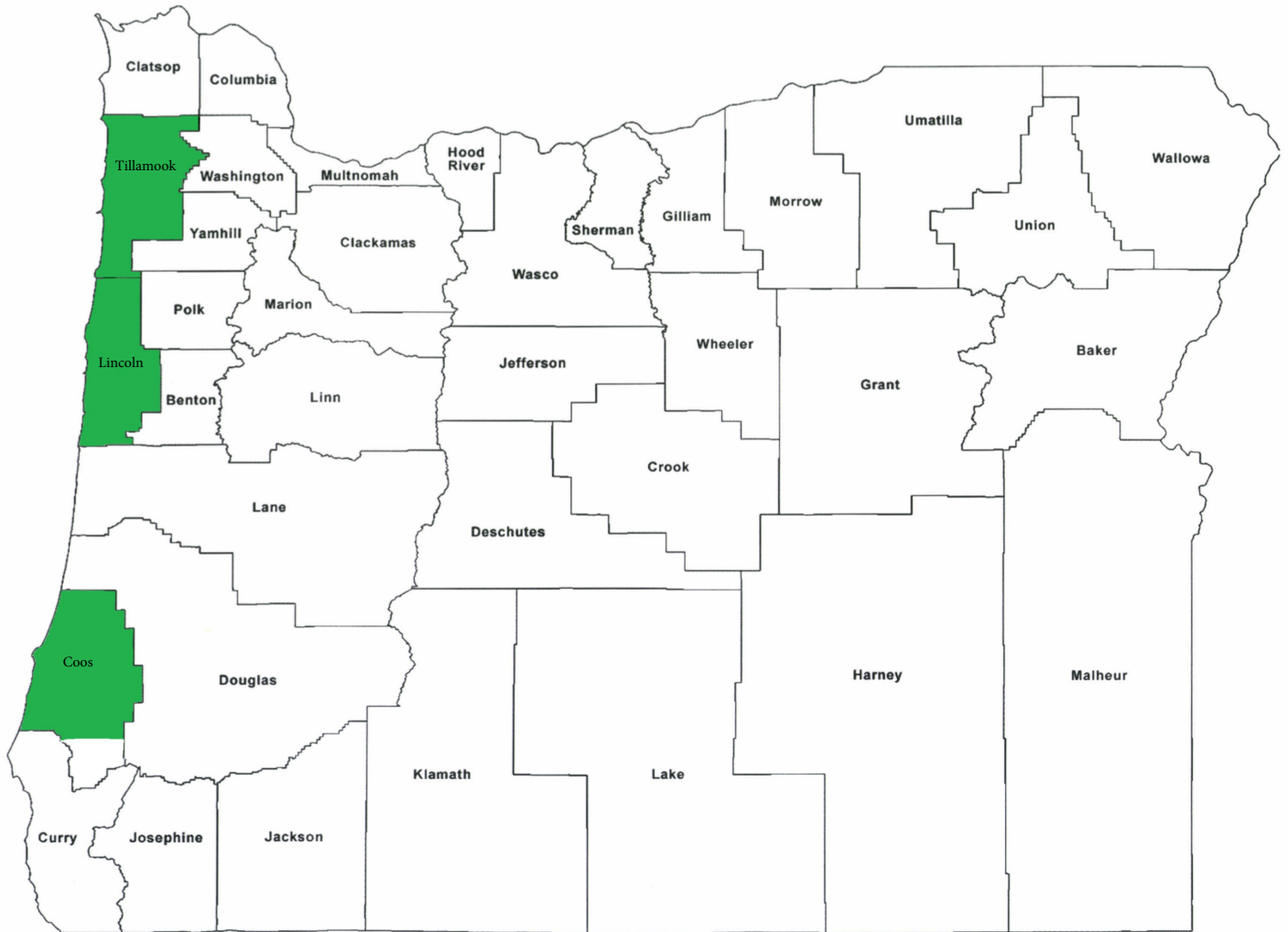
Oregon Coast Bank

# Community Reinvestment Act Public File

# Written Comments

No Community Reinvestment Act related  
written comments have been received.

# Assessment Area Map



# Assessment Area Census Demographics

# Lincoln County, Oregon

2024 FFIEC Census Report - Summary Census Demographic Information

State: 41 - OREGON (OR)

County: 041 - LINCOLN COUNTY



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2024 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
41	041	9501.00	Moderate	No	76.91	\$78,400	\$60,297	\$48,427	3450	17.71	611	952	1560
41	041	9503.03	Middle	No	92.27	\$78,400	\$72,340	\$58,102	1837	19.27	354	577	1632
41	041	9503.04	Middle	No	105.35	\$78,400	\$82,594	\$66,333	3667	26.40	968	867	2023
41	041	9504.01	Middle	No	83.51	\$78,400	\$65,472	\$52,582	2436	27.63	673	408	1081
41	041	9504.02	Middle	No	81.47	\$78,400	\$63,872	\$51,302	2199	21.06	463	545	1435
41	041	9506.01	Middle	No	99.41	\$78,400	\$77,937	\$62,593	2662	13.90	370	1092	2502
41	041	9506.02	Middle	No	90.22	\$78,400	\$70,732	\$56,806	2464	15.34	378	923	2250
41	041	9508.00	Middle	No	85.68	\$78,400	\$67,173	\$53,947	3401	20.85	709	1048	1807
41	041	9509.00	Middle	No	98.55	\$78,400	\$77,263	\$62,054	3432	33.13	1137	836	1336
41	041	9510.00	Middle	No	85.47	\$78,400	\$67,008	\$53,819	2169	38.27	830	266	884
41	041	9511.00	Upper	No	169.94	\$78,400	\$133,233	\$107,000	1594	23.71	378	471	868
41	041	9512.00	Middle	No	112.16	\$78,400	\$87,933	\$70,625	2166	14.22	308	825	1347
41	041	9513.00	Middle	No	99.51	\$78,400	\$78,016	\$62,656	2652	17.53	465	795	1078
41	041	9514.00	Middle	No	109.43	\$78,400	\$85,793	\$68,906	3044	18.53	564	666	1187
41	041	9515.00	Middle	No	97.75	\$78,400	\$76,636	\$61,547	2953	13.00	384	1376	2497
41	041	9516.00	Middle	No	94.41	\$78,400	\$74,017	\$59,448	3830	16.61	636	1231	2189
41	041	9517.00	Middle	No	103.52	\$78,400	\$81,160	\$65,185	2475	16.28	403	661	1696
41	041	9518.00	Middle	No	101.24	\$78,400	\$79,372	\$63,750	3964	31.94	1266	1149	1676
41	041	9901.00	Unknown	No	0.00	\$78,400	\$0	\$0	0	0.00	0	0	0

\* Will automatically be included in the 2025 Distressed or Underserved Tract List



# Tillamook County, Oregon



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2024 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
41	057	9601.01	Middle	No	106.01	\$78,400	\$83,112	\$66,748	2193	14.09	309	794	2569
41	057	9601.02	Middle	No	90.82	\$78,400	\$71,203	\$57,188	1884	15.29	288	650	1398
41	057	9602.00	Middle	No	92.95	\$78,400	\$72,873	\$58,527	2675	13.76	368	759	2978
41	057	9603.00	Middle	No	108.99	\$78,400	\$85,448	\$68,629	2566	18.71	480	936	1379
41	057	9604.01	Upper	No	131.91	\$78,400	\$103,417	\$83,056	3216	18.19	585	827	1185
41	057	9604.02	Middle	No	89.94	\$78,400	\$70,513	\$56,630	4828	31.50	1521	888	1716
41	057	9605.00	Moderate	No	60.71	\$78,400	\$47,597	\$38,229	2169	22.68	492	336	1044
41	057	9606.00	Middle	No	106.76	\$78,400	\$83,700	\$67,224	2415	17.27	417	896	2139
41	057	9607.00	Middle	No	95.03	\$78,400	\$74,504	\$59,838	2780	16.19	450	853	2054
41	057	9608.00	Upper	No	123.86	\$78,400	\$97,106	\$77,986	2664	18.02	480	813	2220
41	057	9901.00	Unknown	No	0.00	\$78,400	\$0	\$0	0	0.00	0	0	0
41	057	9999.99	Middle	No	104.01	\$78,400	\$81,544	\$65,493	27390	19.68	5390	7752	18682

\* Will automatically be included in the 2025 Distressed or Underserved Tract List

Coos  
County,  
Oregon

2024 FFIEC Census Report - Summary Census Demographic Information State: 41 - OREGON (OR)  
County: 011 - COOS COUNTY - Excluding Tract Code 41-011-0011-01



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2024 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority%	Minority Population	Owner Occupied Units	1- to 4-Family Units
41	011	0001.01	Middle	No	80.87	\$78,400	\$63,402	\$50,921	1825	13.21	241	602	953
41	011	0001.02	Middle	No	87.24	\$78,400	\$68,396	\$54,931	1899	11.06	210	649	829
41	011	0001.03	Upper	No	163.29	\$78,400	\$128,019	\$102,813	2438	12.26	299	929	1479
41	011	0002.00	Upper	No	130.33	\$78,400	\$102,179	\$82,065	2433	12.08	294	844	1102
41	011	0003.00	Middle	No	102.02	\$78,400	\$79,984	\$64,239	3406	20.29	691	640	1231
41	011	0004.01	Upper	No	145.62	\$78,400	\$114,166	\$91,691	2889	21.46	620	650	982
41	011	0004.02	Upper	No	145.91	\$78,400	\$114,393	\$91,875	4043	17.54	709	1013	1536
41	011	0005.02	Middle	No	99.70	\$78,400	\$78,165	\$62,778	2977	19.95	594	929	1398
41	011	0005.03	Middle	No	89.33	\$78,400	\$70,035	\$56,250	2803	23.69	664	612	1007
41	011	0005.05	Middle	No	90.70	\$78,400	\$71,109	\$57,111	4099	19.79	811	1196	1802
41	011	0005.06	Moderate	No	79.25	\$78,400	\$62,132	\$49,901	2091	26.69	558	364	979
41	011	0006.00	Upper	No	125.88	\$78,400	\$98,690	\$79,258	2670	18.58	496	855	1182
41	011	0007.01	Middle	No	117.04	\$78,400	\$91,759	\$73,692	4608	20.53	946	1021	1741
41	011	0007.02	Middle	No	91.23	\$78,400	\$71,524	\$57,446	2722	21.82	594	863	1176
41	011	0008.00	Upper	No	150.46	\$78,400	\$117,961	\$94,735	3067	15.88	487	1106	1496
41	011	0009.01	Middle	No	92.85	\$78,400	\$72,794	\$58,462	3893	15.54	605	1196	1567
41	011	0009.02	Moderate	No	60.39	\$78,400	\$47,346	\$38,026	3684	15.53	572	1376	1750
41	011	0010.01	Middle	No	95.80	\$78,400	\$75,107	\$60,323	3680	14.02	516	1138	1799
41	011	0010.02	Moderate	No	75.77	\$78,400	\$59,404	\$47,708	3794	14.07	534	1120	1789
41	011	0011.02	Middle	No	115.96	\$78,400	\$90,913	\$73,015	3552	16.47	585	1106	1632
41	011	9901.01	Unknown	No	0.00	\$78,400	\$0	\$0	0	0.00	0	0	0

\* Will automatically be included in the 2025 Distressed or Underserved Tract List

# Branch Distribution



## Oregon Coast Bank

Distribution of Branches									
Branch/ATM Address	Hours of Operation			Census Tracts					
	Lobby	Drive Up	ATM	Tract Income Level	Underserved / Distressed Tract	MSA	State	County	Tract
Main Office 909 SE Bay Blvd Newport, Oregon 97365	9:00 - 5:00 Monday - Friday	8:00 - 5:00 Monday - Friday	Deposit Taking Drive Up (24 hours)	Upper	No	NA	41	041	9511.00
Pacific City Office 35490 Airport Way Pacific City, Oregon 97135	9:00 - 5:00 Monday - Friday	8:00 - 5:00 Monday - Friday	Deposit Taking Drive Up (24 hours)	Upper	No	NA	41	057	9608.00
Lincoln City Office 1298 SW Harbor Lincoln City, Oregon 97367	9:00 - 5:00 Monday - Friday	8:00 - 5:00 Monday - Friday	Deposit Taking Drive Up (24 hours)	Middle	No	NA	41	041	9504.02
Waldport Office 285 NW Maple St. Waldport, Oregon 97394	9:00 - 5:00 Monday - Friday	8:00 - 5:00 Monday - Friday	Deposit Taking Drive Up (24 hours)	Middle	No	NA	41	041	9516.00
Toledo Office 305 NW First St. Toledo, Oregon 97394	9:00 - 5:00 Monday - Friday	8:00 - 5:00 Monday - Friday	Deposit Taking Drive Up (24 hours)	Middle	No	NA	41	041	9513.00
Tillamook Office 2211 Main Ave N. Tillamook, Oregon 97141	9:00 - 5:00 Monday - Friday	8:00 - 5:00 Monday - Friday	Deposit Taking Drive Up (24 hours)	Middle	No	NA	41	057	9604.02
Coos Bay Office 1390 N. Bayshore Dr. Coos Bay, OR 97420	9:00 - 5:00 Monday - Friday	8:00 - 5:00 Monday - Friday	Deposit Taking Drive Up (24 hours)	Middle	No	NA	41	011	0007.01

# Branch Opening & Closing



## Oregon Coast Bank

### Branches - Opened & Closed

Branch Location	Opening Date	Closure Date
Main Office 909 SE Bay Blvd Newport, OR 97365	July 8, 2002	Remains Open
Pacific City Office 35490 Airport Way Pacific City, OR 97135	April 1, 2004	Remains Open
Lincoln City Office 1298 SW Harbor Ave Lincoln City, OR 97367	May 1, 2006	Remains Open
Waldport Office 285 NW Maple Street Waldport, OR 97394	December 19, 2007	Remains Open
Toledo Office 305 NW First Street Toledo, OR 97391	January 11, 2010	Remains Open
Tillamook Office 2211 Main Ave N. Tillamook, OR 97141	March 12, 2015	Remains Open
Coos Bay Office 1390 N Bayshore Dr. Coos Bay, OR 97420	April 8, 2025	Remains Open



# Deposit & Loan Products



Oregon Coast Bank

## List of Deposit and Lending Products

Deposit Products	Lending Products
Checking Accounts	Auto Loan
Savings Accounts	Pleasure Boat Loan
Money Market Accounts	All Terrain Vehicle (ATV) Loan
Standard and Tiered Rates	Motorcycle Loan
Health Savings Account	Utility Trailer Loan
Certificates of Deposit	Recreational Vehicle (RV) Loan
Fixed Rate	Motorhome Loan
Individual Retirement Accounts (IRA)	Consumer Unsecured Loan
Fixed Rate	Consumer Unsecured Line of Credit
Safe Deposit Boxes	Certificate of Deposit Secured Loan
	Mortgage Loan
	Manufactured Home Loan
	Home Equity Loan
	Home Equity Line of Credit
	Raw Land Loan
	Improved Land Loan
	Construction Loan
	Condo Shared Ownership Loan
	Commercial Real Estate Loan
	Rental Property Loan
	Single Family
	Multi Family
	Commercial Non Real Estate Loan
	Commercial Real Estate Construction Loan
	Commercial Line of Credit - Secured
	Commercial Line of Credit - Unsecured
	Fishing Vessel Loan
	Fishing Vessel Insurance Loan

MEMBER FDIC

EQUAL HOUSING LENDER

# Transaction Fees

-

## All Branches

# Other Fees and Services



Oregon Coast Bank is committed to providing the information you need to manage your account. An overview of fees and services that come with your account is provided below. For more information regarding your account, please refer to the Account Agreement Disclosure provided to you at account opening.

Service		Fee
Account Research and Balancing (per hour)		\$25.00
Account Re-Opening Fee		\$10.00
ACH Account Posting Errors		\$10.00
ACH Return Item Charge		\$10.00
ATM Transactions (non-OCB)		\$2.00
Cashier's Checks		\$6.00
Checks & Deposit Slips		Varies
Check Cashing-Non-Customer/Non-OCB Check		\$20.00
Coin Machine (customers) - charged on amount over \$300		3%
Coin Machine (non-customers) - charged on total amount		10%
Copies of Checks (each)		\$0.75
Copies of Statements (per statement)		\$2.00
Counter Checks (per sheet, 4 checks)		\$3.00
Debit Card Reissue		\$10.00
Debit Card Re-Pin		\$2.00
Deposit Bag (Locking)		\$25.00
Deposit Bag (Zipper)		\$2.50
Deposit Correction (fee if over \$25)		\$2.00
Early Account Closure (if closed within first 90 days)		\$25.00
External Automatic Transfer Set Up (one-time)		\$5.00
External Automatic Transfer Set Up (recurring)		\$10.00
Foreign Currency Order or Exchange (per order)		\$20.00
Foreign Check Processing		\$20.00
IRA Transfers to Another Bank		\$15.00
Garnishment Fee		\$85.00
Inactive/Dormant Account*		\$5.00
Money Order		\$4.00
Notary Services (per signature)		\$10.00
Overdraft Items and Returned Items** (per item, 4 per day maximum)		\$30.00
Overdraft Coverage Transfer - Deposit Account (per day)		\$5.00
Overdraft Coverage Transfer - Line of Credit (per day)		\$7.50
Paper Statement		\$3.00
Return, Hold, or Undeliverable Mail		\$5.00
Safe Deposit Box:	Box Drilling Fee	\$225.00
	Key Deposit	\$20.00
	Late Charge	\$10.00
	Key Replacement	\$25.00
	Annual Rent (based on box size)	Varies
Stop Payment		\$30.00
Wire Transfer:	Incoming	\$10.00
	Outgoing - Domestic	\$30.00
	Outgoing - Foreign	\$45.00

\* - Inactive/ Dormant Account Fee: \$5.00 applies to: Checking, Savings, or Money Market accounts. After 12 months of no activity, a \$5.00 fee will be charged per month until activity is performed. Activity is defined as: increasing or decreasing the account balance, excluding any interest, fees or other adjustments made by us.

\*\* - Overdraft Fees may apply to overdrafts created by check, in-person withdrawal, or other electronic means as applicable.

# Loan to Deposit Ratios



## Oregon Coast Bank

### Loan to Deposit Ratio Report

Call Report Date	Net loans to Deposits	Total Deposits (in 1,000's)	Net Loans (in 1,000's)	Total Assets (in 1,000's)
12/31/2024	69.05%	\$372,870	\$257,482	\$462,514
9/30/2024	66.51%	\$368,847	\$245,304	\$460,700
6/30/2024	72.23%	\$350,934	\$253,486	\$438,142
3/31/2024	64.29%	\$360,401	\$231,701	\$447,481

# CRA Performance Evaluation

# **PUBLIC DISCLOSURE**

November 5, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Oregon Coast Bank  
Certificate Number: 57373

909 Southeast Bay Boulevard  
Newport, Oregon 97365

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
San Francisco Regional Office

25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, California 94105

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, 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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## INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The bank made a majority of small business, home mortgage, and small farm loans within the institution's AA.
- The geographic distribution of small business, home mortgage, and small farm loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes, and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

The institution's community development (CD) performance demonstrates adequate responsiveness to CD needs in its AA through CD loans, qualified investments, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AA.

## DESCRIPTION OF INSTITUTION

Oregon Coast Bank (OCB) is a state chartered, community bank headquartered in Newport, Oregon that is wholly owned by Oregon Coast Bancshares, Inc. The FDIC assigned OCB a Satisfactory rating at the previous CRA Performance Evaluation, dated June 14, 2021, using Interagency Small Institution Examination Procedures. OCB does not have any affiliates or subsidiaries.

The bank operates six full-service offices throughout Lincoln and Tillamook Counties in Oregon. The bank offers commercial, residential mortgage, and consumer loan products. However, OCB's primary business focus is commercial and small farm lending. Commercial lending is to traditionally coastal businesses in Oregon, specifically logging, fisheries, hotels, and restaurants. The bank also offers personal and business banking products. Personal banking products include checking and savings accounts, individual retirement accounts, and certificates of deposit. Business

banking products and services include checking and savings accounts. In addition, OCB offers various alternative retail delivery services such as internet and mobile banking, electronic bill pay, remote deposit capture, person-to-person payments through online banking, along with an automated teller machine at each branch. OCB did not open, close, or relocate any offices since the previous evaluation. In addition, no merger or acquisition activities occurred during the evaluation period.

The June 30, 2024, Consolidated Report of Condition and Income (Call Report) shows that the institution had total assets of \$438.1 million, loans of \$237.9 million, and deposits of \$350.9 million. The following table illustrates the bank's loan portfolio distribution.

<b>Loan Portfolio Distribution as of 6/30/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	26,178	11.01
Secured by Farmland	1,205	0.51
Secured by 1-4 Family Residential Properties	51,017	21.45
Secured by Multifamily (5 or more) Residential Properties	4,749	2.00
Secured by Nonfarm Nonresidential Properties	76,106	32
<b>Total Real Estate Loans</b>	<b>159,255</b>	<b>66.95</b>
Commercial and Industrial Loans	18,406	7.74
Agricultural Loans	41,014	17.24
Consumer Loans	15,571	6.55
Other Loans	4,256	1.79
Less: Unearned Income	(634)	(0.27)
<b>Total Loans</b>	<b>237,868</b>	<b>100.0</b>
<i>Source: 6/30/2024 Call Report</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet the credit needs of its AAs.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. Bank management delineated a single AA that encompasses two

contiguous counties of Lincoln and Tillamook located in the Oregon Non-MSA. And the AA has not changed since the previous evaluation. Examiners relied on bank records, public financial information, demographic data from the 2020 U.S. Census, 2023 D&B, and information obtained from community contacts. The AA complies with the technical requirements of CRA and does not arbitrarily exclude low-and moderate-income (LMI) neighborhoods. For additional information, refer to the individual AA section.

### **Economic and Demographic Data**

Based on 2020 U.S. Census data, the AA consists of 30 census tracts (CTs): two moderate-, 23 middle-, three upper-income CTs, and two CTs with no income designation. This includes 19 CTs in Lincoln County and 11 CTs in Tillamook County. The AA does not contain any low-income, distressed, or underserved middle-income CTs. Each county has one moderate-income tract within the AA.

The following table illustrates select economic and demographic information for the AA based on the 2020 U.S. Census Data including data on the population, housing stock, businesses, farms, housing values, rents, and poverty levels.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	0.0	6.7	76.7	10.0	6.7
Population by Geography	77,785	0.0	7.2	83.2	9.6	0.0
Housing Units by Geography	50,908	0.0	5.2	86.2	8.6	0.0
Owner-Occupied Units by Geography	22,440	0.0	5.7	84.9	9.4	0.0
Occupied Rental Units by Geography	10,476	0.0	8.5	84.6	6.9	0.0
Vacant Units by Geography	17,992	0.0	2.7	88.7	8.6	0.0
Businesses by Geography	11,492	0.0	6.2	82.1	11.7	0.0
Farms by Geography	581	0.0	6.2	75.9	17.9	0.0
Family Distribution by Income Level	20,231	19.0	19.3	23.6	38.1	0.0
Household Distribution by Income Level	32,916	23.2	16.8	20.1	39.9	0.0
Median Family Income Non-MSAs - OR		\$63,625	Median Housing Value			\$275,340
			Median Gross Rent			\$955
			Families Below Poverty Level			8.7%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Lincoln County’s principal industries include tourism, government, services and retail, forest products, and fishing. Newport is known for oceanography research with Oregon State University’s Hatfield Marine Science Center and the Oregon Coast Aquarium. Many communities in the county rely heavily on tourism as their primary source of income. In Tillamook County, the key industries

are agriculture, hunting, and fishing. The county is home to many dairy farms, such as the Tillamook Cheese Factory. Tillamook County Creamery Association is the largest employer in the City of Tillamook.

Based on 2020 U.S. Census data, there was 50,908 housing units in the AA. Of these, 44.1 percent are owner-occupied, 20.6 percent are occupied rental units, and 35.3 percent are vacant. The median housing value of \$275,340 reflects a home price below the state average and the national averages. Compared to the state and the nation, housing is relatively affordable in this area.

According to the 2023 D&B data, there were 12,073 businesses and farms operating in the AA. Service industries represent the largest portion of businesses at 31.6 percent; followed by non-classifiable establishments at 25.2 percent; followed by retail trade at 12.5 percent; agriculture, transportation, and manufacturing at 11.4 percent; and construction at 8.0 percent. Additionally, 62.2 percent of area businesses employ four or fewer employees, and 93.4 percent operate from a single location.

Data obtained from the U.S. Bureau of Labor Statistics shows that unemployment rates at the county, state, and nation level have trended downward throughout the evaluation period. While the average unemployment rates in Lincoln County were higher than the state and national average unemployment rates in 2021, rates were comparable in following years. Tillamook County's average unemployment rates were comparable to the state and national average unemployment rates.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Lincoln County	6.2	4.9	4.3
Tillamook County	5.4	4.2	3.8
State of Oregon	5.2	3.9	3.7
National Average	5.4	3.6	3.6
<i>Source: Bureau of Labor Statistics</i>			

According to Moody's Analytics as of June 2024, the economy has improved. Employment growth is ahead of the statewide level and slightly behind the nation. Healthcare is responsible for most of recent gains. State government has slowed but will be a stabilizing force in the coming quarters with funding increases in education and healthcare. Retail has shed jobs this past year. Single family house prices are flat in contrast to steady appreciation nationally. Lawmakers passed a large supplemental housing package designed to boost development and enhance affordability. The farm economy remains slow in the short run with farms finding their profitability under strain with labor and insurance remaining high. Farmers will be reluctant to expand their operations. The population growth is expected to pick up with the growth of remote work attracting many residents of nearby Portland and other areas. Strengths in the area include favorable climate and proximity to Portland, strong household balance sheets, low business costs, and favorable age structure. Weaknesses include lack of a dynamic private sector growth driver, low educational attainment, exposure to volatility in agriculture, and eroding housing affordability. The top five employers are Salem Health, Amazon, Chemeketa Community College, Spirit Mountain Casino, and Walmart Inc.

The Federal Financial Institutions Examination Council (FFIEC) updates median family income on an annual basis. The low-, moderate-, middle-, and upper-income levels for the AA are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
OR NA Median Family Income (99999)				
2023 (\$77,600)	<\$38,800	\$38,800 to <\$62,080	\$62,080 to <\$93,120	≥\$93,120
<i>Source: FFIEC</i>				

### **Competition**

The AA is moderately competitive for financial services. According to the June 30, 2024, FDIC Deposit Market Share Report, the AA had eight financial institutions operating 28 branches with a total of \$2.2 billion in deposits. A number of large national and regional financial institutions operate in the AA. Collectively, the top three financial institutions in the AA control approximately 6.1 percent of the deposit market share and approximately 50.0 percent of the branches. OCB maintains \$350.9 million in total deposits, representing 20.0 percent of the AA deposit market share and ranking third among the other financial institutions.

### **Community Contact**

As part of the evaluation process, examiners contact organizations active in the AA to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to the community's particular needs. It also shows what credit opportunities are available in the AA.

Examiners reviewed information from a recent community contact with an organization that provides planning and housing services to residents in the AA. The organization's representative noted that cost of living and housing expenses have outpaced wage growth. Housing stock of all income levels has been impacted by a significant number of homes purchased for investment and short-term vacation rental purposes. The contact described difficulty in obtaining financing for larger affordable housing projects that would help alleviate the high demand for such housing. The contact felt local financial institutions could engage more with community CD organizations, noting limited presence at outreach events and insignificant amounts of CD service hour work.

### **Credit and Community Development Needs and Opportunities**

Based on demographic and economic information, discussions with bank management, and the community contact interview, the primary credit and CD need in the AA is affordable housing.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated June 14, 2021, to the current evaluation dated November 5, 2024. Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate OCB's CRA performance. Examiners relied on records provided by the institution, public financial and loan information, demographic data, community contact, and reported loan information in completing the evaluation.

### **Activities Reviewed**

Examiners determined that the OCB's major product lines are small business, small farm, and home mortgage loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period. Small business, small farm, and home mortgage lending comprised approximately 40.0 percent, 16.9 percent, and 36.0 percent, respectively, of the bank's total loan portfolio, as reported on the June 30, 2024, Call Report. Given the composition of the loan portfolio and the bank's strategy, small business lending loans received greater weight and home mortgage lending received second greatest weight in the overall CRA Performance Evaluation.

Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. The universes of small business, small farm, and home mortgage loans originated in 2021, 2022 and 2023 were reviewed and analyzed. Examiners analyzed and presented all three years of small business lending data due to lending volume fluctuations.

The bank originated 43, 119, 101 small business loans in 2021, 2022, and 2023 that totaled \$7.3, \$19.0, \$16.7 million. The bank originated 30, 92, and 79 small farm loans in 2021, 2022, and 2023 that totaled \$4.6, \$10.1, and \$8.0 million, respectively. The bank originated 47, 109, and 86 home mortgage loans in 2021, 2022, and 2023 that totaled \$14.2, \$35.5, and \$27.4 million. Examiners used the entire universes of loans to analyze the AA concentration, the geographic distribution criterion, and the borrower profile criterion. For small business and small farm loans, D&B data for 2021, 2022, and 2023 provided a standard of comparison. For home mortgage loans, the 2015 ACS Census data provided comparison for 2021, and the U.S. Census provided a standard of comparison for 2022 and 2023 loans. Other sources of comparable data include small business and small farm 2022 and 2023 aggregate data, and other information gathered as part of the evaluation process, including community contacts. Examiners also compared current lending performance against the bank's previous CRA performance and noted any differences within the evaluation.

Examiners analyzed the number and dollar volume of small business, small farm, and home mortgage loans under the Lending Test. While both number and dollar volume of loans are presented, examiners emphasized performance by number of loans as this is generally a better indicator of the number of businesses and consumers served.

In addition, examiners reviewed all CD loans, qualified investments and grants/donations, and CD services from the previous evaluation dated June 14, 2021, through November 5, 2024. There are

not any prior-period qualified investments. The evaluation of CD activities is limited to those loans, investments, and services for which management could demonstrate that meet the primary purpose of CD. Examiners evaluated CD activities quantitatively based on the financial capacity of the bank and qualitatively based upon the impact to the AA.

The Census Bureau released the updated 2020 U.S. Census data since the previous evaluation conducted on June 14, 2021, and the update included changes in the total number of CTs within the AA as well as income tract designations. From the 2015 ACS Census to the 2020 U.S. Census data, the total number of CTs in the AA increased from a total of 27 to 30, with an increase in three middle-income CTs and no other changes.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

The institution demonstrates a ‘Satisfactory’ performance under the Lending Test. A reasonable LTD ratio, a majority of loans originated within the AA, a reasonable dispersion of small business, home mortgage, and small farm lending throughout the AA; and reasonable penetration among businesses and farms of different sizes, and individuals of different income levels support this conclusion.

### Loan-to-Deposit Ratio

The institution’s LTD ratio is reasonable given its asset size, financial condition, and AA credit needs. Examiners compared the institution’s average LTD performance to similar institutions based on asset size, geographic location, and lending focus. The net LTD ratio averaged 55.9 percent over the past 14 calendar quarters from June 30, 2021, through September 30, 2024. The LTD ratio ranged from a low of 44.1 percent as of March 31, 2022, to a high of 67.1 percent as of June 30, 2024. Examiners noted the ratio remained consistent through the early part of the evaluation period and steadily increased through the second half of the evaluation period. Despite a downward trend in total deposits and an elevated interest rate environment, the total loans continued to grow. A smaller institution that operates near the institution’s AA also reflected similar trends. A larger institution operating near the institution’s AA has a higher average LTD ratio. Nevertheless, as detailed in the following table, the institution’s average LTD was in line with its peers over the evaluation period.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 09/30/2024 (\$000s)	Average Net LTD Ratio (%)
OCB	460,700	55.9
Similarly Situated Institution #1	290,399	55.2
Similarly Situated Institution #2	496,670	95.8
Source: Call Report 06/30/2021 - 09/30/2024		



## Assessment Area Concentration

The institution made a majority of its loans within its AA. Compared to the previous evaluation, the small business and small farm lending in the AA increased where the bank originated 70.7 percent and 68.7 percent, by number respectively. Home mortgage lending remains unchanged from the previous evaluation with 89.3 percent by number within the AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	39	83.0	8	17	47	11,445	80.1	2,840	19.9	14,284,026
2022	102	93.6	7	6.4	109	33,121	93.3	2,380	6.7	35,501,170
2023	75	87.2	11	12.8	86	21,567	78.7	5,838	21.3	27,405,549
Subtotal	216	89.3	26	10.7	242	66,133	85.7	11,058	14.3	77,190,746
Small Business										
2021	34	79.1	9	20.9	43	5,312	72.3	2,034	27.7	7,346
2022	68	57.1	51	42.9	119	10,599	55.8	8,407	44.2	19,006
2023	84	83.2	17	16.8	101	14,794	88.3	1,952	11.7	16,746
Subtotal	186	70.7	77	29.3	263	30,705	71.2	12,393	28.8	43,098
Small Farm										
2021	21	70	9	30	30	2,586	56	2,034	44	4,620
2022	68	73.9	24	26.1	92	7,148	70.5	2,985	29.5	10,133
2023	49	62	30	38	79	4,418	55.2	3,589	44.8	8,007
Subtotal	138	68.7	63	31.3	201	14,152	66.2	8,608	33.8	22,760
Total	540	76.5	166	23.5	706	110,990	77.6	32,059	22.4	143,049
Source: Bank Data										
Due to rounding, totals may not equal 100.0%										
Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.										

## Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA given the demographics and the level of competition in the area. The bank's AA contains no low-income and two moderate-income CTs. The bank's reasonable dispersion of small business, home mortgage, and small farm loans support this conclusion.

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. The bank's performance in moderate-income CTs exceeded the demographic data in 2021, declining in subsequent years, and was in-line with the data in 2022 and 2023. The differences of 6.1 percentage points in 2021, 0.0 percentage points in 2022, and negative 0.2 in 2023, reflect

reasonable performance considering competition from larger regional institutions and the bank's capacity.

Furthermore, as the bank is not required to report small business loan data, the evaluation does not include a comparison of the bank's performance to aggregate small business loan data. Aggregate data reflects the level of demand for small business loans. The 2023 CRA aggregate data indicates that 8.1 percent of small business loans were made to businesses within the moderate-income geographies. OCB is at 6.0 percent, close to the aggregate data. Overall, OCB's performance reflects reasonable dispersion throughout the AA.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
<b>Moderate</b>						
2021	8.6	7.8	5	14.7	754	14.2
2022	5.9	8.1	4	5.9	1,930	18.2
2023	6.2	8.1	5	6.0	683	4.6
<b>Middle</b>						
2021	79.9	82.2	24	70.6	4,370	82.3
2022	82.3	81.0	52	76.5	7,313	69.0
2023	82.1	81.0	67	79.8	11,678	78.9
<b>Upper</b>						
2021	11.5	10.0	5	14.7	188	3.5
2022	11.8	10.9	12	17.6	1,356	12.8
2023	11.7	10.9	12	14.3	2,433	16.4
<b>Not Available</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>5,312</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>68</b>	<b>100.0</b>	<b>10,599</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>84</b>	<b>100.0</b>	<b>14,794</b>	<b>100.0</b>
<i>Source: 2021, 2022 &amp; 2023 D&amp;B Data; Bank Data; 2021, 2022 &amp; 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. In 2023, the bank's performance is below demographic in moderate-income tracts; however, the percent of owner-occupied housing within the moderate-income CTs represent opportunities within these geographies, only 5.7 percent of the owner-occupied housing units in the AA, which indicates limited lending.

Additionally, competition for these mortgage loans in the AA is high. Aggregated 2023 HMDA data, which the bank is not required to report, shows that reporting institutions originated 6.6 percent of home mortgage loans within the moderate-income geographies. In 2023, the bank's performance trend declined from the prior two years and trailed demographics. The AA is comprised of only two moderate-income CTs. Performance in middle-income CTs in 2023 exceeds both the percentage of owner-occupied housing units and aggregate data. Considering the high competition and limited opportunities, the bank's dispersion of home mortgage loans is reasonable.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
<b>Moderate</b>						
2021	5.6	6.3	5	12.8	984	8.6
2022	5.7	7.3	5	5.2	604	2.0
2023	5.7	6.6	2	2.9	1,015	5.8
<b>Middle</b>						
2021	85.7	81.5	29	74.4	8,962	78.3
2022	84.9	84.1	79	77.5	27,131	81.9
2023	84.9	82.7	69	92.0	19,871	92.1
<b>Upper</b>						
2021	8.6	12.2	5	12.8	1,498	13.1
2022	9.4	8.6	18	17.6	5,386	16.3
2023	9.4	10.7	4	5.3	682	3.2
<b>Not Available</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>11,445</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>102</b>	<b>100.0</b>	<b>33,121</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>75</b>	<b>100.0</b>	<b>21,567</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data; 2020 U.S. Census; Bank Data, 2022 &amp; 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

### ***Small Farms Loans***

The geographic distribution of small farm loans reflects reasonable dispersion throughout the AA. The bank originated one small farm loan in a moderate-income geography that renewed on an annual basis in 2021, 2022, and 2023. OCB's agricultural lending is primarily to fishermen, and companies within the commercial fishing industry are not typically located in moderate-income geographies within the AA. Only 6.2 percent of small farms were located in moderate-income tract in the AA.

Additionally, 2022 CRA aggregate data, although not used as a direct comparison, shows only 4.2 percent of small farms loans made in the AA in the moderate-income geographies, indicating limited lending opportunity. Given these factors, the bank's dispersion of small farm loans is reasonable.

Geographic Distribution of Small Farm Loans						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Moderate						
2021	10.2	5.4	0	0.0	0	0.0
2022	6.1	4.2	0	0.0	0	0.0
2023	6.2	--	1	2.0	24	0.5
Middle						
2021	85.5	93.5	20	95.2	2,568	99.3
2022	76.6	76.3	56	82.4	6,410	89.7
2023	75.9	--	36	73.5	3,397	76.9
Upper						
2021	4.3	1.1	1	4.8	18	0.7
2022	17.4	19.5	12	17.6	738	10.3
2023	17.9	--	12	24.5	997	22.6
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>	<b>2,586</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>68</b>	<b>100.0</b>	<b>7,148</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>--</b>	<b>49</b>	<b>100.0</b>	<b>4,418</b>	<b>100.0</b>

Source: 2021, 2022 & 2023 D&B Data; Bank Data; 2021 & 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

## **Borrower Profile**

The overall distribution of borrowers reflects reasonable penetration among businesses, and farms of different revenue sizes and individuals of different income levels, including LMI in the AA. The conclusion is supported by excellent penetration among businesses and farms, and poor penetration for home mortgage lending.

### ***Small Business Loans***

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among businesses of different sizes. In 2021, the percentage of loans to businesses with gross annual revenue of \$1 million or less, trails the percentage of businesses in the AA with gross annual revenue of \$1 million or less. In 2021 and 2022, the ratio was closer in line with this metric.

Although not used as a direct comparison for small business lending, aggregate data is indicative of the credit needs of businesses, local competition, and lending opportunities in the AA. The 2022 and 2023 aggregate CRA data indicates that 63.7 percent of small business loans were made to businesses with gross annual revenues of \$1.0 million or less. OCB exceeded this ratio in 2022 and 2023 by 11.3 and 3.0 percent.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2021	88.9	49.2	19	55.9	3,283	61.8
2022	90.6	63.7	51	75.0	6,828	64.4
2023	91.3	63.7	56	66.7	9,417	63.7
<b>&gt;\$1,000,000</b>						
2021	2.3	--	15	44.1	2,029	38.2
2022	1.8	--	17	25.0	3,771	35.6
2023	1.7	--	28	33.3	5,377	36.3
<b>Revenue Not Available</b>						
2021	8.7	--	0	0.0	0	0.0
2022	7.5	--	0	0.0	0	0.0
2023	7.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>5,312</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>68</b>	<b>100.0</b>	<b>10,599</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>84</b>	<b>100.0</b>	<b>14,794</b>	<b>100.0</b>
Source: 2021, 2022 & 2023 D&B Data; Bank Data; 2021, 2022 & 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### ***Home Mortgage Loans***

The distribution of borrowers reflects, given the demographics of the AA, reflects poor penetration to individuals of different income levels. The bank's performance for distribution of loans to LMI borrowers trails demographic data, without any home loans made to moderate-income CTs as shown on the following table. Further, no loans were made to middle-income CTs with all home mortgage lending made during the three years to upper-income CTs.

While the bank's performance is below the percent of LMI families in the AA, performance context factors were taken into consideration. The AA contains approximately 8.7 percent of households below the poverty level, which is an indicator of reduced capacity to borrow. Additionally, the AA's median home value was \$275,340, which makes it difficult for LMI families with median income in the AA of \$38,800 and \$62,080, respectively, to qualify for a home mortgage loan.

Although not used as a direct comparison for lending performance, aggregate lending data is indicative of the credit needs and lending opportunities within the AA. The aggregate 2023 HMDA data shows that 3.3 percent loans are to low-income borrowers and 10.8 percent of loans are to moderate-income borrowers, which also indicates limited credit demand from low-and moderate-income borrowers. Overall, OCB's performance reflects poor penetration throughout the AA.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	19.6	3.2	0	0.0	0	0.0
2022	19.0	4.6	0	0.0	0	0.0
2023	19.0	3.3	0	0.0	0	0.0
Moderate						
2021	18.6	11.0	0	0.0	0	0.0
2022	19.3	10.7	0	0.0	0	0.0
2023	19.3	10.8	0	0.0	0	0.0
Middle						
2021	21.9	19.7	0	0.0	0	0.0
2022	23.6	18.6	0	0.0	0	0.0
2023	23.6	17.7	0	0.0	0	0.0
Upper						
2021	40.0	52.2	32	82.1	8,763	76.6
2022	38.1	54.6	94	92.2	29,080	87.8
2023	38.1	54.4	70	93.3	21,245	98.5
Not Available						
2021	0.0	13.9	7	17.9	2,681	23.4
2022	0.0	11.6	8	7.8	4,042	12.2
2023	0.0	13.8	5	6.7	322	1.5
Totals						
2021	100.0	100.0	39	100.0	11,445	100.0
2022	100.0	100.0	102	100.0	33,121	100.0
2023	100.0	100.0	75	100.0	21,567	100.0
Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data; 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

### ***Small Farm Loans***

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among farms of different sizes. The bank's 2021, 2022, and 2023 lending performance trails demographics; however, not all farms have credit needs. Although not used as a direct comparison for small farm lending, aggregate data is indicative of credit needs of farms, local competition, and lending opportunities within the AA. The 2022 aggregate CRA data shows that 46.6 percent of small business loans were made to farms with gross annual revenues of \$1.0 million or less, which is often a better indicator of credit demand. OCB well exceeded this ratio in 2022 and 2023 by 21.5 and 15.2 percent.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	95.2	45.2	14	66.7	1,582	61.2
2022	95.9	46.6	42	61.8	3,297	46.1
2023	96.4	--	35	71.4	2,135	48.3
>\$1,000,000						
2021	2.5	--	7	33.3	1,004	38.8
2022	2.1	--	23	33.8	3,173	44.4
2023	1.7	--	14	28.6	2,283	51.7
Revenue Not Available						
2021	2.3	--	0	0.0	0	0.0
2022	2.0	--	3	4.4	678	9.5
2023	1.9	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>	<b>2,586</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>68</b>	<b>100.0</b>	<b>7,148</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>--</b>	<b>49</b>	<b>100.0</b>	<b>4,418</b>	<b>100.0</b>
Source: 2021, 2022 & 2023 D&B Data; Bank Data; 2021 & 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### **Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

### **COMMUNITY DEVELOPMENT TEST**

The institution demonstrates adequate responsiveness to the CD needs of its AA through CD loans, qualified investments and donations, and CD services. Examiners considered the institution's capacity and the availability and need of such opportunities. The institution's CD lending and focus on various activities that support CD services primarily support this conclusion. The following provides additional information to support the Community Development Test conclusion.

### **Community Development Loans**

During the evaluation period, the institution made 18 CD loans totaling \$10.8 million, which is adequate responsiveness. This performance level represents 2.4 percent of average total assets and 4.6 percent of average total loans. Majority of the CD loans support economic development, which is an identified need in the AA that the bank is responding to. The institution's activity is similar to the performance level of similarly situated banks. The following table shows the bank's CD lending by AA and CD purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	0	0	0	0	0	0	3	565	3	565
2022	1	2,100	1	83	2	933	1	500	5	3,616
2023	0	0	0	0	5	5,349	1	500	6	5,849
YTD 2024	0	0	1	450	2	304	1	60	4	814
<b>Total</b>	<b>1</b>	<b>2,100</b>	<b>2</b>	<b>533</b>	<b>9</b>	<b>6,586</b>	<b>6</b>	<b>1,625</b>	<b>18</b>	<b>10,844</b>
Source: Bank Data										

The following are notable examples of CD loans benefitting the AA over the evaluation period.

- In 2021, the institution made three loans totaling \$565,106 to support the constructing of homes to LMI individuals and revitalize/stabilize an area that was affected by wildfires.
- In 2022, the institution made a \$2.1 million loan for a multifamily property consisting of 10 units designated for LMI individuals.
- In 2023, the institution made a \$4.8 million loan to a business that will assist with the creation and permanent job retention of at least three full-time, one part-time and three seasonal worker jobs.

### **Qualified Investments**

No qualified investments were made since the prior evaluation and there are not any prior period investments. This is the bank's first time being evaluated under Interagency Intermediate Small Institution Examination Procedures, but the performance is poor for responsiveness. The bank made 15 donations totaling \$14.5 thousand during the review period. The total donations equate to 0.0009 percent of total equity capital since the previous evaluation. This performance represents zero percent of total assets and total securities. The donations support affordable housing and community services, which is an identified need in the AA. The following table shows the bank's qualified investments and donations by CD purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Qualified Grants & Donations	2	0.6	13	13.8	0	0	0	0	15	14.5
<b>Total</b>	<b>2</b>	<b>0.6</b>	<b>13</b>	<b>13.8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>14.5</b>
Source: Bank Data										



The following are examples of qualified donations that benefited the AA over the evaluation period.

- In 2023 and 2024, the institution made donations totaling \$1,825 to various non-profit community service organizations that provide food, clothing, essential household items, and medical equipment to LMI families.
- In 2024, the institution donated \$590 to assist in creating affordable housing for low to moderate income families.
- In 2024, the institution donated \$10,000 to a children advocacy group that provides assistance such as counseling, advocacy, forensic and prevention services for at-risk families throughout Lincoln County.

### **Community Development Services**

During the evaluation period, a total of one Board of Directors and 23 employees provided 193.5 qualified CD service hours to 13 organizations in the AA, which shows adequate responsiveness. The majority of the hours were to serve as a member on the Board and Finance Committee for a non-profit hospital foundation that provides health care education, research, and patient treatment to a majority of patients with Medicaid and Medicare. Services provided are primarily focused on a variety of community services that benefit LMI individuals and areas, and additional service hours were provided to organizations providing services to economic development and affordable housing in the AA. The following table shows the bank's CD services by year and CD purpose.

<b>Community Development Services</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2021	0	16	0	0	<b>16</b>
2022	0	27	0	0	<b>27</b>
2023	6	28	16	0	<b>50</b>
2024	18	65.5	17	0	<b>100.5</b>
<b>Total</b>	<b>24</b>	<b>136.5</b>	<b>33</b>	<b>0</b>	<b>193.5</b>
<i>Source: Bank Data</i>					

The following are notable examples of CD services provided during the evaluation period.

- Throughout 2023, an officer of the bank served as a treasurer of a non-profit CD organization that provides services tailored to the needs of at-risk and LMI youths in the AA, including assistance with housing, case management, counseling, victim advocacy, medical assistance, and job training.
- Throughout the evaluation period, a Board member of the bank served on the finance committee of a nonprofit 501(c)(3) organization that provides outreach programs in health care education, health care research, patient care, substance abuse, treatment and recovery services to all residence in the district including those with the inability to pay or acquire insurance.

- Throughout 2024, an officer of the bank facilitated business finance classes for an area organization that provides free resources and technical expertise for small and startup businesses.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

OCB's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## **APPENDICES**

### **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five-year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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. Other family 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).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**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 metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.