



Oregon Coast Bank

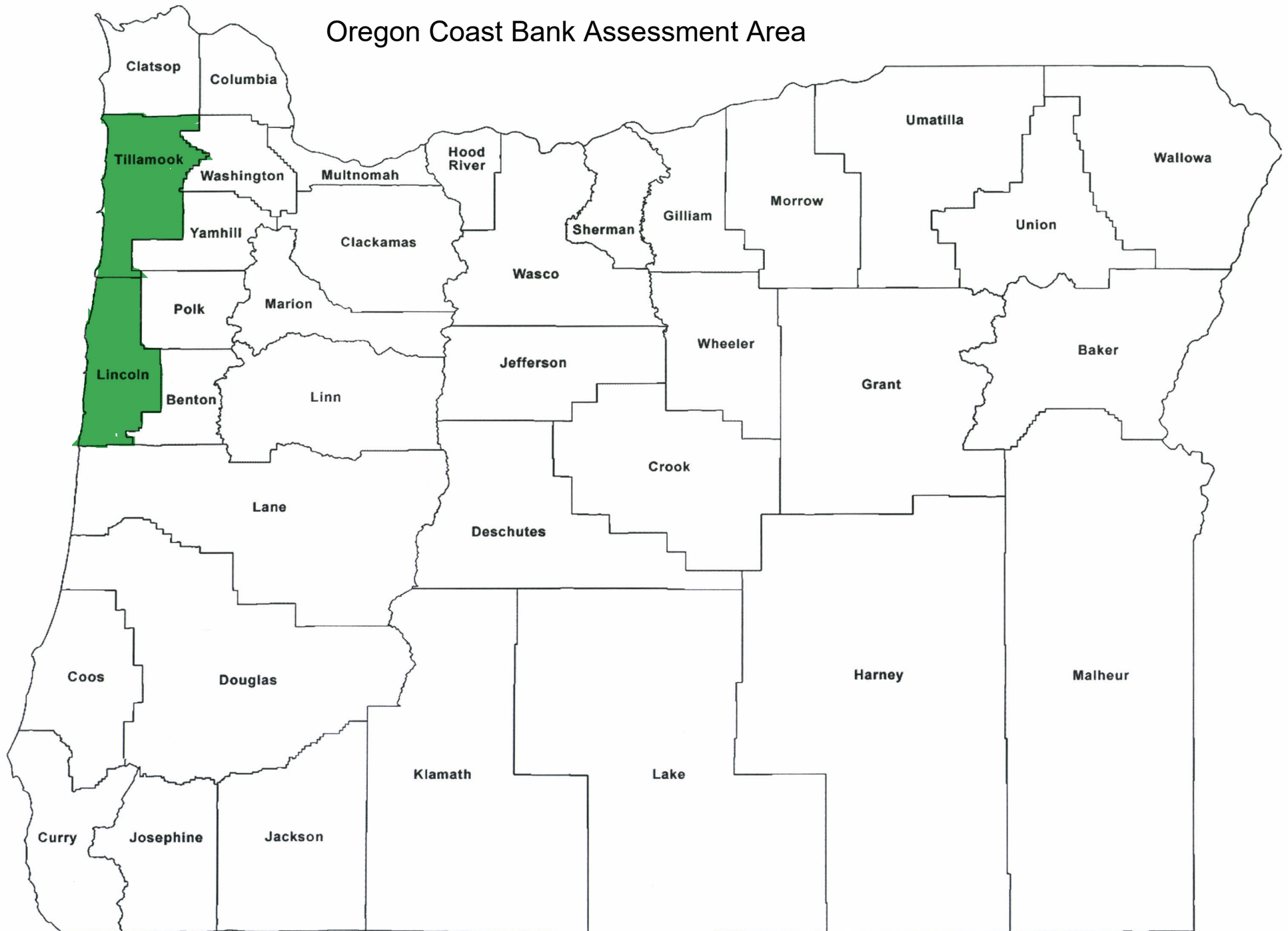
Community Reinvestment Act Public File

Written Comments

No Community Reinvestment Act related written comments have been received.

Assessment Area Map

Oregon Coast Bank Assessment Area



Assessment Area Census Demographics

Lincoln County, Oregon



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2023 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2023 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	76.11	\$77,600	\$59,061	\$48,427	3450	17.71	611	952	1560
41	041	9503.03	Middle	No	91.31	\$77,600	\$70,857	\$58,102	1837	19.27	354	577	1632
41	041	9503.04	Middle	No	104.25	\$77,600	\$80,898	\$66,333	3667	26.40	968	867	2023
41	041	9504.01	Middle	No	82.64	\$77,600	\$64,129	\$52,582	2436	27.63	673	408	1081
41	041	9504.02	Middle	No	80.63	\$77,600	\$62,569	\$51,302	2199	21.06	463	545	1435
41	041	9506.01	Middle	No	98.37	\$77,600	\$76,335	\$62,593	2662	13.90	370	1092	2502
41	041	9506.02	Middle	No	89.28	\$77,600	\$69,281	\$56,806	2464	15.34	378	923	2250
41	041	9508.00	Middle	No	84.78	\$77,600	\$65,789	\$53,947	3401	20.85	709	1048	1807
41	041	9509.00	Middle	No	97.53	\$77,600	\$75,683	\$62,054	3432	33.13	1137	836	1336
41	041	9510.00	Middle	No	84.58	\$77,600	\$65,634	\$53,819	2169	38.27	830	266	884
41	041	9511.00	Upper	No	168.17	\$77,600	\$130,500	\$107,000	1594	23.71	378	471	868
41	041	9512.00	Middle	No	111.00	\$77,600	\$86,136	\$70,625	2166	14.22	308	825	1347
41	041	9513.00	Middle	No	98.47	\$77,600	\$76,413	\$62,656	2652	17.53	465	795	1078
41	041	9514.00	Middle	No	108.30	\$77,600	\$84,041	\$68,906	3044	18.53	564	666	1187
41	041	9515.00	Middle	No	96.73	\$77,600	\$75,062	\$61,547	2953	13.00	384	1376	2497
41	041	9516.00	Middle	No	93.43	\$77,600	\$72,502	\$59,448	3830	16.61	636	1231	2189
41	041	9517.00	Middle	No	102.45	\$77,600	\$79,501	\$65,185	2475	16.28	403	661	1696
41	041	9518.00	Middle	No	100.19	\$77,600	\$77,747	\$63,750	3964	31.94	1266	1149	1676
41	041	9901.00	Unknown	No	0.00	\$77,600	\$0	\$0	0	0.00	0	0	0

* Will automatically be included in the 2024 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 %	2023 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2023 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	104.90	\$77,600	\$81,402	\$66,748	2193	14.09	309	794	2569
41	057	9601.02	Middle	No	89.88	\$77,600	\$69,747	\$57,188	1884	15.29	288	650	1398
41	057	9602.00	Middle	No	91.98	\$77,600	\$71,376	\$58,527	2675	13.76	368	759	2978
41	057	9603.00	Middle	No	107.86	\$77,600	\$83,699	\$68,629	2566	18.71	480	936	1379
41	057	9604.01	Upper	No	130.53	\$77,600	\$101,291	\$83,056	3216	18.19	585	827	1185
41	057	9604.02	Middle	No	89.00	\$77,600	\$69,064	\$56,630	4828	31.50	1521	888	1716
41	057	9605.00	Moderate	No	60.08	\$77,600	\$46,622	\$38,229	2169	22.68	492	336	1044
41	057	9606.00	Middle	No	105.65	\$77,600	\$81,984	\$67,224	2415	17.27	417	896	2139
41	057	9607.00	Middle	No	94.04	\$77,600	\$72,975	\$59,838	2780	16.19	450	853	2054
41	057	9608.00	Upper	No	122.57	\$77,600	\$95,114	\$77,986	2664	18.02	480	813	2220
41	057	9901.00	Unknown	No	0.00	\$77,600	\$0	\$0	0	0.00	0	0	0
41	057	9999.99	Middle	No	102.93	\$77,600	\$79,874	\$65,493	27390	19.68	5390	7752	18682

* Will automatically be included in the 2024 Distressed or Underserved Tract List

Branch Distribution



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	9:00 - 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	8:30 - 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	8:30 - 5:00 Monday - Friday	Deposit Taking Drive Up (24 hours)	Middle	No	NA	41	057	9604.02

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

Deposit & Loan Products



Oregon Coast Bank

List of Deposit and Lending Products

Deposit Products	Lending Products
Anchor Checking Account	Auto Loan
Premier Interest Checking	Pleasure Boat Loan
Classic Savings	All Terrain Vehicle (ATV) Loan
Money Market	Motorcycle Loan
Health Savings Account	Utility Trailer Loan
Certificates of Deposit	Recreational Vehicle (RV) Loan
Fixed Rate	Motorhome Loan
Business Advantage Checking	Consumer Unsecured Loan
Account Analysis Business Checking	Consumer Unsecured Line of Credit
Individual Retirement Accounts (IRA)	Certificate of Deposit Secured Loan
Traditional	Mortgage Loan
Roth	Manufactured Home Loan
SEP	Home Equity Loan
Simple	Home Equity Line of Credit
Rollovers	Raw Land Loan
Fixed Rate	Improved Land Loan
Safe Deposit Boxes	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

Oregon Coast Bank

Other Fees and Services

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 (no fee at OCB ATM's with an OCB card)	\$2.00
Cashier's Checks (each)	\$6.00
Check and Deposit Slips - Printing and Delivery Fees	Charge dependent on style and quantity
Check Cashing - Non-Customer/Non-OCB Check	\$20 .00
Coin Machine:	
OCB Customers	3% over \$300.00
Non-Customers	10% of total
Copies of Checks (each)	\$0.75
Copies of Statements (per statement)	\$2.00
Counter Checks (4 checks)	\$3.00
Debit Card Reissue	\$10.00
Debit Card Re-PIN	\$2.00
Deposit Bags (Locking)	\$25.00
Deposit Bags (Zipper) First bag is free	\$2.50
Deposit Correction (fee if over \$25.00)	\$2.00
Early Account Closure - if closed within first 90 days	\$25.00
External/Internal Bank Auto Transfer Set-up Fee	One time fee \$5.00 - Continual \$10.00
Garnishment Fee	\$85.00
Inactive and Dormant Account Monthly Fee*	\$5.00
IRA Transfers to Another Bank	\$15.00
Mailed Paper Monthly Statements (per month)	\$2.00
Money Orders (each)	\$4.00
Notary Service (per signature)	\$10.00
Overdraft Items and Returned Item Fees* • (per item, paid or returned)	\$30.00 (4 per day maximum)
Ordering of Foreign Currency (per order)	\$20.00
Overdraft Line of Credit Transfer Fee (per day)	\$7.50
Overdraft Transfer Fee on Deposit Accounts (per day)	\$5.00
Processing of Foreign Currency (per item)	\$20.00
Sweep Fee	\$5.00
Return, Hold, or Undeliverable Mail (per month)	\$5.00
Safe Deposit:	
Box Drilling Fee	\$225.00
Key Deposit	\$20.00
Late Charge	\$10.00
Key Replacement	\$25.00
Annual Rent	3"x5"-\$30; 5"x5"-\$50; 3"x10"-\$50 5"x 10 " -\$70; 10" x 10' '\$110
Stop Payment (6 Months)	\$30.00
Telephone Transfer Fee	\$2.00
Wire Transfer Processing Fees:	
Incoming	\$10.00
Outgoing - Domestic	\$30.00
Outgoing - Foreign	\$45.00

*Inactive/Dormant Account Fee: \$5.00 app lies 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)
12/31/2023	66.15%	\$347,906	\$230,130	\$439,071
9/30/2023	62.22%	\$365,048	\$227,142	\$436,441
6/30/2023	59.23%	\$363,754	\$215,437	\$437,125
3/31/2023	55.51%	\$376,500	\$208,990	\$414,397

CRA Performance Evaluation

PUBLIC DISCLOSURE

June 14, 2021

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 following factors support the rating:

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans and other lending related activities are in the institution's AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among small businesses and farms of different sizes and individuals of different income levels.
- The institution did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this factor did not affect the overall rating.

DESCRIPTION OF INSTITUTION

Oregon Coast Bank (OCB) is a family-owned, state chartered, community bank headquartered in Newport, Oregon. The FDIC assigned OCB a Satisfactory rating at the previous CRA Performance Evaluation, dated August 17, 2015, 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 internet and mobile banking, electronic bill pay, remote deposit capture, person-to-person payments, telephone 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 December 31, 2021 Consolidated Report of Condition and Income (Call Report) shows that the institution had total assets of \$377.4 million, loans of \$183.5 million, and deposits of \$343.7 million. The following table illustrates the bank's loan portfolio distribution.

Loan Portfolio Distribution as of 03/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	9,805	5.3
Secured by Farmland	2,349	1.3
Secured by 1-4 Family Residential Properties	35,301	19.2
Secured by Multifamily (5 or more) Residential Properties	2,476	1.3
Secured by Nonfarm Nonresidential Properties	46,053	25.1
Total Real Estate Loans	95,984	52.3
Commercial and Industrial Loans	33,530	18.3
Agricultural Production and Other Loans to Farmers	48,005	26.2
Consumer Loans	4,470	2.4
Obligations of State and Political Subdivisions in the U.S.	3,122	1.7
Other Loans	44	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	1,635	0.9
Total Loans	183,520	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any legal, financial, or other impediments that would limit the bank's ability to meet the credit needs of its AA.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs in which to evaluate its CRA performance. OCB designated a single AA that encompasses two contiguous counties of Lincoln and Tillamook located in the Oregon Non-MSA. Examiners relied on bank records, public financial information, demographic data from the 2015 ACS, D&B, and information obtained from community contacts.

Economic and Demographic Data

Based the 2015 ACS data, the AA consists of 27 census tracts (CTs): 2 moderate-, 20 middle-, 3 upper-income CTs, and 2 CTs with no income designation. This includes 18 CTs in Lincoln County and 9 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 demographic characteristics of the AA, including data on the population, housing stock, businesses, farms, housing values, rents, and poverty levels.

Demographic Information of the Assessment Area						
Oregon Coast Bank						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	0.0	7.4	74.1	11.1	7.4
Population by Geography	71,777	0.0	5.9	84.9	9.1	0.0
Housing Units by Geography	49,177	0.0	7.1	82.5	10.4	0.0
Owner-Occupied Units by Geography	20,436	0.0	5.6	85.7	8.6	0.0
Occupied Rental Units by Geography	10,224	0.0	8.0	80.1	11.9	0.0
Vacant Units by Geography	18,517	0.0	8.1	80.3	11.6	0.0
Businesses by Geography	7,459	0.0	8.7	79.7	11.6	0.0
Farms by Geography	394	0.0	9.4	85.5	5.1	0.0
Family Distribution by Income Level	18,893	19.6	18.6	21.9	40.0	0.0
Household Distribution by Income Level	30,660	22.7	16.9	19.4	40.9	0.0
Median Family Income Non-MSAs - OR		\$51,555	Median Housing Value			\$226,226
			Median Gross Rent			\$849
			Families Below Poverty Level			10.9%
Source: 2015 ACS and 2020 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/retail, forest products, and fishing. Newport is home to Oregon State University's Hatfield Marine Science Center and the Oregon Coast Aquarium. Many of the communities in the county also depend on tourism as their principal source of revenue. Tillamook County specialized industries include agricultural, forestry, hunting, and fishing fields. Tillamook County Creamery Association is the largest employer in the City of Tillamook.

The following table depicts the median family income ranges based on 2019 and 2020 Federal Financial Institutions Examination Council (FFIEC) data.

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)				
2019 (\$57,500)	<\$28,750	\$28,750 to <\$46,000	\$46,000 to <\$69,000	≥\$69,000
2020 (\$57,500)	<\$28,750	\$28,750 to <\$46,000	\$46,000 to <\$69,000	≥\$69,000
<i>Source: FFIEC</i>				

Data obtained from the U.S. Bureau of Labor Statistics shows that unemployment rates at the county, state, and nation level have trended slightly downward throughout the evaluation period, with the exception in 2020, when the COVID-19 pandemic affected the AA as well as the state and

the nation. While the average unemployment rates in Lincoln County were higher than the state and national average unemployment rates, Tillamook County's average unemployment rates were comparable to the state and national average unemployment rates.

Unemployment Rates		
Area	2019	2020
	%	%
Lincoln County	4.3	10.9
Tillamook County	3.8	8.1
State of Oregon	3.7	7.6
National Average	3.7	8.1
<i>Source: Bureau of Labor Statistics</i>		

Competition

The AA is moderately competitive in the market for financial services. According to the June 30, 2020 FDIC Deposit Market Share data, 9 financial institutions operated 31 full-service branches within the AA. Of these institutions, the bank ranked 3rd with 16.3 percent deposit market share.

As the bank is not required report its small business, small farm, or home mortgage loan data, and has not elected to do so, the analysis of these loans does not include comparisons against aggregate data. However, the reported data reflects the level of demand for small business, small farm, and home mortgage loans in the AA. Aggregate data for 2019, the most recent year for which data is available, shows that 48 lenders reported 1,807 small business loans, 11 lenders reported 92 small farm loans, and 311 lenders reported 5,801 home mortgage loans in the AA. This data suggests a high degree of competition for these loan products.

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 a recent community contact of an organization that provides planning and housing services to residents in the AA. The contact indicated that although small businesses have been significantly impacted by the pandemic, along with the costs of rents, affordable housing represents the community's primary credit need. The contact would like to see more institutions to be more flexible and take on more risk in financing housing projects, because renters, usually low- and moderate-income individuals and families, are likely to choose multi-family housing instead of single-family dwelling.

Credit Needs

Considering information from the community contact, the bank's strategy, and demographic and recent economic data, examiners determined that small business and affordable housing lending

represents a primary credit need for the AA. In particular, small business loans to cover costs related to payroll expenses, group health care benefits, lease payments, mortgage interest payments, utility payments, and interest on other pre-existing debt. Additionally, loans for working capital, and equipment or inventory purchases remain in demand. The significant percentage of businesses with gross annual revenues of \$1 million or less and the large number of businesses with nine or fewer employees support these conclusions.

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the prior evaluation dated August 17, 2015, to the current evaluation dated June 14, 2021. Examiners used the Interagency Small Institution Examination Procedures to evaluate OCB's CRA performance.

Activities Reviewed

Examiners determined that the bank'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 43.4 percent, 27.4 percent, and 25.9 percent, respectively, of the bank's total loan portfolio, as reported on the March 31, 2021 Call Report. Given the composition of the loan portfolio and the bank's strategy, small business loans received greater weight in the overall CRA Performance Evaluation.

Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. A sampling of small business, small farm, and home mortgage loans originated in 2019 and 2020 were selected, analyzed and presented in this evaluation. The selected samples are considered to be representative of the bank's performance during the evaluation period.

However, OCB's management indicated that lending performance in calendar year 2020 was not reflective of the bank's normal lending as OCB originated a significant number of Small Business Administration (SBA) Paycheck Protection Program (PPP) loans in 2020. Bank management also stated that home residential lending increased as mortgage interest rates declined to record lows in 2020.

The following table depicts the universe of loans originated and the sample of the loans that was selected and analyzed.

Loan Products Reviewed				
Loan Category by Year	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
2019				
Small Business	91	10,492	41	4,795
Small Farm	66	6,380	36	3,552
Home Mortgage	43	9,638	30	7,705
2020				
Small Business	362	27,589	58	5,063
Small Farm	169	12,746	51	3,352
Home Mortgage	77	20,656	41	9,787
<i>Source: Bank records for small business, small farm, and home mortgage loans from 1/1/2019 through 12/31/2020,</i>				

Examiners compared the home mortgage, small business and small farm loans under the Geographic Distribution criterion to the percent of owner-units, business, and farms located in the CTs within the AA. Examiners compared the bank's home mortgage, small business, and small farm performance under the Borrower Profile criterion to the percent of families, businesses, and farms that are low- and moderate income individuals or have gross annual revenues of \$1 million or less within the AA. The 2015 ACS Census and D&B data were used for the comparisons. While the number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of businesses and individuals served.

Aggregate HMDA and CRA data are also referenced as an indicator for loan demand, but not used as a direct comparison since the bank is not required to collect or report small business, small farm, or home mortgage loan data.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

OCB demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performance primarily support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and AA credit needs. The loan-to-deposit ratio, calculated from Call Report data, averaged 52.8 percent over the past 23 calendar quarters from September 30, 2015, through March 31, 2021. The ratio ranged from a low of 49.4 percent as of September 30, 2016, to a high of 65.5 percent as of June 30, 2020. 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.

Examiners compared OCB's average net loan-to-deposit ratio to that of similarly situated institutions, which include financial institutions comparable in asset size, geographic location, and lending focus. OCB's average loan-to-deposit ratio is weaker than those of the comparable institutions; however, the ratio improved since the prior evaluation.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 03/31/2021 (\$000s)	Average Net LTD Ratio (%)
Oregon Coast Bank	377,386	52.8
Similarly-Situated Institution #1	296,026	55.3
Similarly-Situated Institution #2	371,908	79.3
<i>Source: Reports of Condition and Income 09/30/2015 - 03/31/2021</i>		

Assessment Area Concentration

The bank made a majority of small business, small farm and home mortgage loans, by number and dollar volume, within its AA.

Lending Inside and Outside of the Assessment Area – correct one										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2019	38	92.7	3	7.3	41	4,405	91.9	390	8.1	4,795
2020	50	86.2	8	13.8	58	4,820	95.2	243	4.8	5,063
Subtotal	88	88.9	11	11.1	99	9,225	93.6	633	6.4	9,858
Small Farm										
2019	22	61.1	14	38.9	36	2,433	68.5	1,119	31.5	3,552
2020	39	76.5	12	23.5	51	2,451	73.1	901	26.9	3,352
Subtotal	61	70.1	26	29.9	87	4,884	70.7	2,020	29.3	6,904
Home Mortgage										
2019	25	83.3	5	16.7	30	6,380	82.8	1,325	17.2	7,705
2020	35	85.4	6	14.6	41	8,838	90.3	949	9.7	9,787
Subtotal	60	84.5	11	15.5	71	15,218	87.0	2,274	13.0	17,492
Source: Bank Data										
Due to rounding, totals may not equal 100.0%										

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 excellent dispersion of small business and reasonable dispersion of small farm and home mortgage loans support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the AA. The bank's performance in moderate-income CTs exceeded demographic data in 2019 and 2020. The differences of 4.7 percentage points in 2019 and 5.3 percentage points in 2020 reflect excellent 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 2019 CRA aggregate data indicates that 7.9 percent of small business loans were made to businesses within the moderate-income geographies. Overall, OCB's performance reflects excellent dispersion throughout the AA.

Geographic Distribution of Small Business Loans					
Assessment Area: Oregon Coast Bank					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2019	8.9	5	13.2	751	17.1
2020	8.7	7	14.0	375	7.8
Middle					
2019	79.9	29	76.3	3,401	77.2
2020	79.7	39	78.0	4,200	87.1
Upper					
2019	11.1	4	10.5	253	5.7
2020	11.6	4	8.0	245	5.1
Totals					
2019	100.0	38	100.0	4,405	100.0
2020	100.0	49	100.0	4,820	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the AA. The bank originated no small farm loans in moderate-income geographies in 2019. However, 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 9.4 percent of small farms were located in moderate-income tract in the AA.

Additionally, 2019 CRA aggregate data, although not used as a direct comparison, shows only 5.6 percent of small farms loans made in the AA in the moderate-income geographies, indicating limited lending opportunity. In 2020, the geographic distribution of small farm loans in moderate-income CTs shows a positive trend, despite trailing demographics. Given these factors, the bank's dispersion of small farm loans is reasonable.

Geographic Distribution of Small Farm Loans					
Assessment Area: Oregon Coast Bank					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate					
2019	8.6	0	0.0	0	0.0
2020	9.4	1	2.6	26	1.1
Middle					
2019	86.7	20	90.9	2,121	87.2
2020	85.5	37	94.8	2,290	93.4
Upper					
2019	4.8	2	9.1	312	12.8
2020	5.1	1	2.6	135	5.5
Totals					
2019	100.0	22	100.0	2,433	100.0
2020	100.0	39	100.0	2,451	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data;. 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 2019, the bank's performance is below demographic in moderate-income tracts; however, the percent of owner-occupied housing within the moderate-income CTs represent only 5.6 percent of the owner-occupied housing units in the AA, which indicates limited lending opportunities within these geographies.

Additionally, competition for these mortgage loans in the AA is high. Aggregated 2019 HMDA data, which the bank is not required to report, shows that reporting institutions originated 5.3 percent of home mortgage loans within the moderate-income geographies. In 2020, the bank's performance trends positively exceeding demographics. Considering the high competition and limited opportunities, the bank's dispersion of home mortgage loans is reasonable.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Oregon Coast Bank					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate					
2019	5.6	1	4.0	518	8.1
2020	5.6	5	14.3	1,904	21.6
Middle					
2019	85.7	18	72.0	4,056	63.6
2020	85.7	28	80.0	6,243	70.6
Upper					
2019	8.6	6	24.0	1,806	28.3
2020	8.6	2	5.7	691	7.8
Totals					
2019	100.0	25	100.0	6,380	100.0
2020	100.0	35	100.0	8,838	100.0
Source: 2015 ACS; Bank Data. Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects excellent penetration among businesses and farms of different revenue sizes and individuals of different income levels, including LMI in the AA.

Small Business Loans

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among businesses of different sizes. In 2019, the percentage of loans to businesses with gross annual revenue of \$1 million or less was in line with the percentage of businesses in the AA with gross annual revenue of \$1 million or less. In 2020, lending performance trails demographics; however, 44.0 percent of the loans were SBA PPP loans whereby gross annual revenues were not collected. If revenue information was available, it is likely the penetration would be more similar to 2019.

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 2019 aggregate CRA data indicates that 58.3 percent of small business loans were made to businesses with gross annual revenues of \$1.0 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Oregon Coast Bank					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2019	87.5	30	79.0	3,643	82.7
2020	88.1	18	36.0	1,238	25.7
>1,000,000					
2019	2.9	4	10.5	687	15.6
2020	2.6	10	20.0	1,705	35.3
Revenue Not Available					
2019	9.6	4	10.5	75	1.7
2020	9.3	22	44.0	1,877	39.0
Totals					
2019	100.0	38	100.0	4,405	100.0
2020	100.0	50	100.0	4,820	100.0
Source: 2019 & 2020 D&B Data; Bank Data. 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 2019 and 2020 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 2019 aggregate CRA data shows that 38.9 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.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: Oregon Coast Bank					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000					
2019	95.0	12	54.6	1,772	72.9
2020	94.7	17	43.6	904	36.9
>1,000,000					
2019	2.5	3	13.6	286	11.7
2020	2.8	7	17.9	567	23.1
Revenue Not Available					
2019	2.5	7	31.8	375	15.4
2020	2.5	15	38.5	980	40.0
Totals					
2019	100.0	22	100.0	2,433	100.0
2020	100.0	39	100.0	2,451	100.0
Source: 2019 & 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The distribution of borrowers reflect, given the demographics of the AA, excellent penetration to individuals of different income levels. The bank's performance for distribution of loans to LMI borrowers trails demographic data, as shown on the following table.

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 10.9 percent of households below the poverty level, which is an indicator of reduced capacity to borrow. Additionally, the AA's median home value was \$226,226, which makes it difficult for LMI families with median income in the AA of \$28,270 and \$46,000, 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 2019 HMDA data shows that 2.4 percent loans are to low-income borrowers and 9.0 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 excellent penetration throughout the AA.

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Oregon Coast Bank					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2019	19.6	1	4.0	80	1.3
2020	19.6	5	14.3	1,133	12.8
Moderate					
2019	18.6	3	12.0	267	4.2
2020	18.6	4	11.4	415	4.7
Middle					
2019	21.9	6	24.0	1,775	27.8
2020	21.9	6	17.1	923	10.4
Upper					
2019	40.0	14	56.0	4,230	66.3
2020	40.0	19	54.3	5,980	67.7
Not Available					
2019	0.0	1	4.0	28	0.4
2020	0.0	1	2.9	387	4.4
Totals					
2019	100.0	25	100.0	6,380	100.0
2020	100.0	35	100.0	8,838	100.0
Source: 2015 ACS; Bank Data. Due to rounding, totals may not equal 100.0%					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's CRA rating.

APPENDICES

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).

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.

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.

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.

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.

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 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.

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.