



PUBLIC DISCLOSURE

May 2, 2022

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Pioneer Trust Bank, National Association
Charter Number 21060

109 Commercial Street NE,
Salem, OR 97301

Office of the Comptroller of the Currency

101 Stewart Street, Suite 1010
Seattle, WA 98101

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The lending test is rated: Outstanding.

The community development test is rated: Outstanding.

The major factors that support this rating include:

The Lending Test rating is based on the state of Oregon, and the following factors:

- Pioneer Trust Bank originated a substantial majority of loans, by number and dollar amount, within the assessment area (AA) during the evaluation period.
- The bank's loan-to-deposit (LTD) ratio is reasonable given its size, financial condition, and the credit needs of its community.
- An overall excellent geographic distribution of business loans.
- An overall excellent distribution of business loans among businesses of different sizes.

The Community Development (CD) Test rating is based on the state of Oregon.

- The bank demonstrated excellent responsiveness to the community development (CD) lending and investment needs within its assessment area, including the specific needs identified by community contacts.
- The bank participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) via a third-party relationship and demonstrated excellent responsiveness to the community need for job preservation resulting from economic stress caused by the pandemic.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio is reasonable.

The bank's quarterly LTD ratio averaged 71.4 percent, ranging from 58.1 percent to 79.5 percent, over the 12 quarters from January 1, 2019, through December 31, 2021. The bank's average LTD ratio was compared to a sample of five similarly situated banks, with assets between \$589.0 million and \$898.0 million. Over the same period, the quarterly average LTD ratio among the peer banks was similar to Pioneer Trust Bank's ratio at 73.6 percent. The peer banks had a high of 89.9 percent, and a low of 39.5 percent during that span.

Lending in Assessment Area

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

To perform this analysis, we evaluated a random sample of 78 loans. The bank originated and purchased 82.1 percent of its loans to businesses inside the bank's AA during the evaluation period. This analysis

is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. By dollar amount, the bank extended 77.3 percent of loan amounts within the bank's AA.

Lending Inside and Outside of the Assessment Area										
Loan Origination Year	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
2019	22	81.5	5	18.5	27	\$4,881	84.5	\$895	15.5	\$5,776
2020	22	88.0	3	12.0	25	\$9,934	92.6	\$792	7.4	\$10,726
2021	20	76.9	6	23.1	26	\$5,158	55.2	\$4,182	44.8	\$9,339
2019-2021	64	82.1	14	17.9	78	\$19,973	77.3	\$5,868	22.7	\$25,841

Sourced from sample from PTB's loan documents
Due to rounding, dollar amounts may not add up to totals or percentages may not add up to 100%

Description of Institution

Pioneer Trust Bank, National Association (PTB) is a federally chartered community bank headquartered in Salem, Oregon. The bank operates two branches in Salem, Oregon. The bank is a wholly owned subsidiary of PTB Corporation, a one bank holding company also based in Salem, Oregon.

PTB's rating area is in Oregon. Management and the board have designated a single AA consisting of 45 census tracts (CTs). The AA consists of 2 low-income CTs, 11 moderate-income CTs, 18 middle-income CTs, and 14 upper-income CTs. The tracts include the city of Salem, Oregon, and are located in Marion and Polk counties. Salem is the second largest city in the state after Portland, and this AA represents a portion of the Salem Metropolitan Statistical Area (MSA). PTB has two banking locations in Salem within Marion County, one of which is close to the Polk County line, which enables the bank to serve customers in some Polk County CTs.

As of December 31, 2021, PTB reported \$745.5 million in total assets and \$81.5 million in tier 1 capital. The bank's primary assets are loans, and net loans and leases comprise 54.2 percent of total assets. The bank's primary lending focus is small business loans and about 85.1 percent of the loan portfolio are business loans, which include commercial real estate loans, commercial and industrial loans, and construction and land development loans. About 13 percent of the portfolio consists of residential and consumer loans, and the remainder is in agricultural and other loans.

The bank did not engage in any merger or acquisition activities during the evaluation period. PTB does not have any financial or legal impediments that prevent it from meeting the credit needs of the AA. PTB's prior CRA Performance Evaluation dated March 4, 2019, resulted in a "Satisfactory" rating.

Innovative and/or Flexible Lending Products

In 2020 and 2021, PTB participated in the Small Business Administration’s Paycheck Protection Program. The PPP was introduced in response to the economic impact of the COVID-19 pandemic as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to aid small businesses in remaining operational and avoiding layoffs. PTB had not previously offered SBA loan products, and therefore the bank had to create a system from scratch in a short amount of time to be able to participate and meet the demands of customers. PTB elected to partner with the Mid-Willamette Valley Council of Governments (MWVCOG) to offer PPP loans. MWVCOG is an intergovernmental organization which provides planning services to Marion and Polk counties, the City of Salem, and the Salem School Districts.

Through this partnership, PTB accepted and processed PPP loan documentation, which was submitted through MWVCOG’s SBA portal. A total of 727 PPP loans were originated during the review period with 84.5 percent for businesses inside the AA.

PTB continued to highlight innovative and flexible products during the early onset of the COVID-19 crisis. Bank officers were directed to waive overdraft and non-sufficient fund fees. From March 2020 to July 2021, PTB waived over \$292 thousand in fees to help their local customer base. The bank also developed policies to accommodate skip payment and interest rate reduction requests during this period.

Scope of the Evaluation

Evaluation Period/Products Evaluated

PTB’s performance was evaluated under the Intermediate Small Bank Community Reinvestment Act (CRA) examination procedures. These procedures consist of two components: a lending test and a CD test. The lending test is an assessment of the bank’s record of meeting the credit needs of its assessment area through its lending activities. The bank offers both residential/consumer and commercial loan products but is primarily a commercial lender. As a result, the OCC focused on small business loan products for this evaluation. The CD test is an assessment of the bank’s responsiveness to community development needs within the assessment area through engaging in qualified lending, investment, donation, and service activities. The evaluation period for both the lending and CD tests was January 1, 2019, through December 31, 2021.

Selection of Areas for Full-Scope Review

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

regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based solely on the State of Oregon as this is the only rating area. The state rating is based on performance in the bank's sole designated AA.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Oregon

CRA rating for the State of Oregon¹: Outstanding.

The Lending Test is rated: Outstanding.

The Community Development Test is rated: Outstanding.

The major factors that support this rating include:

- The overall geographic distribution of small business loans is excellent.
- The distribution of loans to businesses of different sizes is excellent.
- The bank's responsiveness to the needs of the communities through CD activities is excellent.

Description of Institution's Operations in Oregon

Pioneer Trust Bank, National Association traces its history to the Ladd and Bush Trust Company, which was incorporated in 1924. In 1940 the trust company's name was changed to Pioneer Trust Company following the sale of affiliate Ladd and Bush Bank. In 1968, the Pioneer Trust Company became a full service bank and began offering loan and deposit products. In 1985, the current name of Pioneer Trust Bank, N.A. was adopted as PTB became a national bank. PTB's market presence has always been focused on the Salem, Oregon market with trust services; for the past half century the bank has offered a variety of traditional loan and deposit services to individuals and businesses.

Both of the bank's branches are located centrally in Salem, about one mile apart, and each provides an automated teller machine (ATM) that accepts deposits. The branch network did not change during the review period. While both bank locations are in the same upper-income tract, the tract borders a few moderate-income tracts. PTB offers mobile banking, mobile remote deposit, telephone banking, and online banking, including bill pay services. The bank also offers night drop facilities, safe deposit boxes, money orders, cashier's checks, notary services, wire transfers, and foreign currency drafts. In addition, PTB partners with MoneyPass to provide customers with surcharge-free ATM access nationwide.

Deposit products offered to consumers include savings accounts, checking accounts, certificates of deposit, and individual retirement accounts. PTB also offers credit and debit cards. A similar suite of deposit products is available for business customers, including sole proprietorships. Lending products include commercial real estate loans, business lines of credit, construction loans, and land development loans. Consumers are offered home equity lines of credit, auto, and personal loans. The products offered at both branch locations are comparable.

Competition from other financial institutions is significant. According to the FDIC Insured Institutions Deposit Market Share Report (as of June 30, 2021), 14 financial institutions have a presence in the AA, with 70 offices throughout Marion and Polk counties. FDIC market share data as of June 30, 2021,

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

indicates PTB ranks fifth in deposit market share. PTB's deposits in Marion and Polk counties total \$625.9 million, which equates to a 7.8 percent market share. PTB does not hold deposits in offices outside the AA. Primary competitors for deposit market share in PTB's AA include U.S. Bank, N.A. with 20.8 percent market share; Wells Fargo Bank, N.A. with 16.4 percent market share; Columbia State Bank with 14.6 percent market share; and JPMorgan Chase Bank, N.A. with 13.4 percent market share.

Moody's Analytics (Moody's) indicates that primary economic drivers include Salem's status as the state capital, as well as agricultural activity in the region. Proximity to a large metropolitan area in Portland and strong in-migration driven by increased remote work capabilities continue to support local growth. The business cycle is currently in a recovery phase due to the COVID-19 pandemic. As of October 31, 2021, Moody's reports an unemployment rate of 4.7 percent, a decrease from 11.4 percent in April 2020. Moody's indicates that Salem is positioned to recoup all pandemic-related job losses by the end of the first quarter of 2022 due to strong support from the construction industry and state government, in addition to strong average hourly wage growth. Weaknesses for the area include rapidly eroding housing affordability, low educational attainment of the workforce, and hollowing out of mid-wage jobs. Moody's predicts that the combination of population growth, low business and living costs, and strong government support will help keep Salem an overachieving regional and national performer in job and income growth.

The following table provides a summary of the demographic information for PTB's assessment area.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Salem – Keizer						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	45	4.4	24.4	40.0	31.1	0.0
Population by Geography	260,203	3.9	26.9	35.8	33.4	0.0
Housing Units by Geography	99,416	3.7	25.3	35.3	35.7	0.0
Owner-Occupied Units by Geography	53,589	1.6	17.5	39.3	41.7	0.0
Occupied Rental Units by Geography	39,933	6.2	34.4	31.5	27.9	0.0
Vacant Units by Geography	5,894	5.6	34.8	25.5	34.1	0.0
Businesses by Geography	26,791	3.8	25.2	31.6	39.4	0.0
Farms by Geography	1,106	2.4	17.9	32.4	47.4	0.0
Family Distribution by Income Level	63,283	21.9	17.7	19.5	40.9	0.0
Household Distribution by Income Level	93,522	22.8	17.4	18.9	41.0	0.0
Median Family Income MSA - 41420 Salem, OR MSA		\$58,033	Median Housing Value			\$191,194
			Median Gross Rent			\$808
			Families Below Poverty Level			13.5%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(* The NA category consists of geographies that have not been assigned an income classification.</i>						

Community Contacts

To help identify community credit needs and bank opportunities to meet those needs, we spoke with two community contacts as part of our performance evaluation. Our contacts indicated that the pandemic, the war in Ukraine, and recent higher levels of inflation exacerbated the financial needs of lower income households. High inflation levels have placed increasing pressures on household budgets, resulting in a greater need for affordable housing programs. One of the contacts noted that since the beginning of the pandemic, there has been a significant increase in food bank activities and food pantry use. PTB was recognized as addressing this increased need by raising funds in the community. Additionally, one of the contacts stated PTB was an early adopter for PPP loans and the bank made it accessible for local organizations to receive this type of loan. Both contacts observed that recent decreases in government funding (i.e., stimulus checks ended, tax credits for childcare were not renewed, and an affordable housing grant program offered by the Federal Home Loan Bank of San Francisco was limited) create opportunities for financial institutions. One contact suggested an open forum among community partners where financial institutions can participate and advocate for these programs. Additionally, both contacts highlighted several community organizations that have upcoming community development programs that could include bank participation. Some of these organizations include the Union Mission Gospel of Salem, Boys and Girls Club, Center for Hope & Safety, and the YMCA. Both contacts highlighted that PTB was a primary partner for supporting similar projects in the area.

Scope of Evaluation in Oregon

Pioneer Trust Bank operates only in the state of Oregon. The OCC performed a full-scope evaluation of the bank's only AA. There were no limited-scope areas to review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OREGON

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Oregon is excellent. Due to the minimal number of home mortgages, small farm, and consumer loans originated during the assessment period, an analysis of those loan types is not meaningful. Therefore, the full-scope review was an analysis of small business loans originated.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in the state.

Small Loans to Businesses

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

During the assessment period, based on a sample of 63 loans within the AA, the bank had 12.7 percent of loans to businesses go to businesses located in low-income census tracts. This compares favorably to peer lenders, who in aggregate had 4.5 percent of loans go to low-income tracts. In the AA, 3.8 percent of businesses reside within the low-income census tract.

In moderate-income tracts, the bank fares similarly to peer lenders and the demographic distribution. PTB made 22.2 percent of business loans to businesses within a moderate-income tract, which is slightly below peer lenders and the percent of businesses within the tract, which are 25.8 percent and 25.2 percent respectively.

When considering distribution of loans across low- and moderate-income census tracts, PTB exhibits excellent geographic distribution.

Distribution of Loans by Income Level of the Borrower

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

Small Loans to Businesses

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

During the assessment period, based on a sample of 63 loans within the AA, loans to businesses with annual revenue of less than \$1 million represented 65.1 percent of the bank's loans by count. This compares favorably to peer lenders, who in aggregate had 44.1 percent of loans go to businesses with revenues below \$1 million. Within the AA, 89.1 percent of businesses have revenues below \$1 million.

Responses to Complaints

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

Community Development Test

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

Conclusions for Area Receiving a Full-Scope Review

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

Number and Amount of Community Development Loans

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

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000’s)	% of Total \$
Salem - Keizer	24	100	38,107	100

The bank’s CD lending exhibits excellent responsiveness to the CD credit needs of the bank’s AA. PTB offered qualifying CD loans to low- and moderate-income individuals as well as loans that benefit low- and moderate-income areas within the AA. During the three-year evaluation period, the bank originated 24 CD loans totaling in excess of \$38 million in its assessment area. Examples of CD qualifying loans made during the evaluation period:

- \$1.2 million loan to fund the purchase and remodel of property providing at risk teens mentoring and job skill training.
- \$1.4 million loan to non-profit organization providing affordable housing to low- and moderate-income (LMI) individuals.
- \$280 thousand loan to non-profit organization providing shelter to the homeless.

Additionally, the bank processed and funded 727 loans totaling over \$131 million through the SBA’s PPP. The purpose of the program was to help small businesses retain their workforce during the COVID-19 pandemic. The total number of Oregon jobs impacted, as a result of these loans was estimated as 14,215. Over 84 percent of the PPP loans originated supported businesses within the bank’s assessment area.

Number and Amount of Qualified Investments

<i>Qualified Investments</i>										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Salem Keizer	0	0	127	1,025	127	100	1,025	100	0	0

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

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

The bank made a significant number and amount of qualified investments within its assessment area. The Qualified Investment Table, shown above, sets forth information and data used to evaluate the bank's level of qualified investments.

The bank's donations were to organizations that benefit and promote affordable housing and education for low- and moderate-income families, and to organizations that provide social service programs to the underprivileged and at-risk youth. Particularly notable are the bank's donations to Marion-Polk Food Share. Over the course of the evaluation period, PTB donated \$412 thousand for operational support and to meet the increased food demands to those negatively impacted by the COVID-19 pandemic. CD investments positively impacted the overall CD rating due to the outstanding level of investments and responsiveness to community needs including affordable housing, job training, and capital to fund improvements in low- and moderate-income geographies.

Extent to Which the Bank Provides Community Development Services

PTB's CD service performance represents excellent responsiveness to the community needs. Over the evaluation period, bank employees provided 2,093 hours of qualifying service hours. Examples of CD services provided by bank staff include:

- Board, Investment, and Distribution Committee services for a foundation that provides donations to local charities that primarily focus on at-risk children.
- Board service for a foundation providing healthcare to uninsured or underinsured LMI individuals.
- Board service for an organization focused on providing financial educational services for LMI youth.
- Service hours for an organization that provides shelter to women and children that come from traumatic situations. This organization provides educational services and programs to help stabilize individuals, and secure housing and employment.

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

Appendix A: Scope of Examination

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

Time Period Reviewed:	January 1, 2019, through December 31, 2021	
Bank Products Reviewed:	Small business loans, community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Oregon:		
Salem Keizer AA	Full-Scope	Counties of Marion and Polk

Appendix B: Summary of MMSA and State Ratings

RATINGS: Pioneer Trust Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank Rating
Pioneer Trust Bank	Outstanding	Outstanding	Outstanding
State:			
Oregon	Outstanding	Outstanding	Outstanding

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

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2019-21

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Salem - Keizer	63	19,932,756	100	4,698	89.1	65.1	44.1	2.9	34.9	8.0	0.0
Total	63	19,932,756	100	4,698	89.1	65.1	44.1	2.9	34.9	8.0	0.0

*Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography

2019-21

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Salem - Keizer	63	19,932,756	100	4,698	3.8	12.7	4.5	25.2	22.2	25.8	31.6	28.6	30.0	39.4	36.5	39.8	0.0	--	0.0
Total	63	19,932,756	100	4,698	3.8	12.7	4.5	25.2	22.2	25.8	31.6	28.6	30.0	39.4	36.5	39.8	0.0	--	0.0

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%