

PUBLIC EVALUATION

June 18, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Oregon Pacific Bank
RSSD # 160360**

**1355 Highway 101
Florence, Oregon 97439**

**Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105**

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 the 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 Community Reinvestment Act (CRA) Rating

Oregon Pacific Bank is rated "SATISFACTORY"

The major factors supporting the institution's rating include:

- A reasonable loan-to-deposit ratio;
- A substantial majority of loans originated within the bank's assessment areas;
- A reasonable geographic distribution of small business and home mortgage loans; and
- An excellent distribution of loans among borrowers of different income levels and businesses of different sizes

INSTITUTION

Description of Institution

Oregon Pacific Bank (OPB), with assets of 278.2 million as of March 31, 2018, is a wholly-owned subsidiary of Oregon Pacific Bancorp. OPB is a full service community bank that operates four offices within the state of Oregon located in Coos Bay, Eugene, Florence, and Roseburg. OPB also operates a stand-alone trust office in Medford, Oregon.

OPB offers a wide range of commercial loan products, including Small Business Administration (SBA) loans. The bank also offers residential mortgage loans and other consumer loan products, as well as deposit products including checking, money market, savings, certificates of deposit, and non-reloadable gift cards. Wealth management and brokerage services are offered to customers in California, Oregon and Washington.

As depicted in Exhibit 1 below, commercial loans represent the majority of the bank’s loan portfolio as of December 31, 2017. While OPB originates loans secured by 1-4 family residential real estate, these loans reflect a smaller portion of the portfolio as OPB acts as a broker for many mortgage originations.

EXHIBIT 1 LOANS AND LEASES AS OF DECEMBER 31, 2017		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	133,337	69.1
Secured by 1-4 Family Residential Real Estate	28,604	14.8
Construction & Land Development	13,526	7.0
All Other	10,490	5.4
Multi-Family Residential Real Estate	3,727	1.9
Farm Land & Agriculture	2,059	1.1
Consumer Loans & Credit Cards	1,194	0.6
Total (Gross)	192,937	100.0

As a result of the opening of the Eugene branch on July 6, 2015, OPB expanded its assessment area to include the city of Eugene and the eastern portions of Lane County. The bank now operates with the following assessment areas:

- Florence Assessment Area, which consists of six census tracts in Lane County, two census tracts in Douglas County, and one census tract in Lincoln County;
- Eugene Assessment Area, which consists of eighty census tracts in the eastern portions of Lane County;
- Coos Bay Assessment Area, which consists of Coos County in its entirety and is composed of 13 census tracts; and
- Roseburg Assessment Area, which consists of 19 census tracts in Douglas County.

OPB did not face any legal or financial impediments during the review period that would have prevented it from helping to meet the credit needs of its assessment areas consistent with its business strategy, size, financial capacity, and local economic conditions. The bank received a satisfactory rating at its previous CRA examination, which was conducted on April 7, 2014, by the Federal Reserve Bank of San Francisco using the *Interagency Small Institution CRA Examination Procedures*.

Scope of Examination

OPB's CRA performance was evaluated in accordance with the *Interagency Small Institution CRA Examination Procedures*. In accordance with these procedures, the bank's performance was evaluated using the lending test, which consists of the evaluation of the following performance criteria:

- Loan volume compared to deposits (Loan-to-Deposit Ratio);
- Lending inside versus outside the assessment area (Lending in Assessment Area);
- Dispersion of lending throughout the assessment area (Lending Distribution by Geography); and
- Lending to business of different sizes and borrowers of different income levels (Lending Distribution by Business Revenue and Borrower Income).

Responsiveness to consumer complaints was not evaluated as OPB did not receive any CRA-related complaints during the review period.

The majority of the bank's lending activities are concentrated in Florence and Eugene. As such, these assessment areas received full-scope reviews, whereas limited-scope reviews were performed for Coos Bay and Roseburg. The Florence assessment area received greater weight in the analysis given its broader range of lending activities and location of bank headquarters.

The lending test evaluation was based on a universe of 174 home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) originated from January 1, 2014 through December 31, 2017, and a sample of 51 of 69 small business loans originated from July 1, 2017 through December 31, 2017. Given the annual volume of small business loans relative to home mortgage loans, small business loan were weighted more heavily in this analysis.

The Florence assessment area review included small business lending, home purchase lending, and home refinance lending. Home improvement and multifamily loans were considered in the analysis; however, there was insufficient volume to provide meaningful analysis.

Similarly, home mortgage lending levels in the Eugene assessment area were considered, but volumes were insufficient to provide meaningful analysis. As such, the review of the Eugene assessment area focused on small business lending.

Lending volumes in the limited-scope assessment areas were limited and did not impact the overall analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

OPB’s overall lending performance is satisfactory. The bank’s loan-to-deposit ratio is reasonable and OPB extended a substantial majority of its loans within its assessment areas. In addition, the geographic distribution of small business loans and home mortgage loans is reasonable. Finally, the distribution of lending to businesses of different revenue sizes is excellent and the distribution of home mortgage loans to borrowers of different income levels is reasonable.

Loan-to-Deposit Ratio

OPB’s loan-to-deposit ratio is reasonable. As of March 31, 2018, the 17-quarter average of this ratio was 80.2 percent, which compared reasonably to the state average of 80.9 percent and the national peer average of 77.3 percent. OPB’s loan-to-deposit ratio also compares reasonably to four similar institutions within the assessment area that have an average ratio of 74.2 percent.

Lending in Assessment Areas

A substantial majority of OPB’s small business and home mortgage loans were originated within the bank’s assessment areas as shown in Exhibit 2 below.

EXHIBIT 2 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Small Business	45	88.2	9,835	74.0	6	11.8	3,450	26.0
Total Business Related	45	88.2	9,835	74.0	6	11.8	3,450	26.0
Home Purchase	71	95.9	10,343	92.6	3	4.1	831	7.4
Home Improvement	23	95.8	1,194	94.1	1	4.2	75	5.9
Home Refinance	65	95.6	14,476	95.7	3	4.4	650	4.3
Multifamily	7	87.5	4,250	95.8	1	12.5	185	4.2
Total Mortgage Related	166	95.4	30,263	94.6	8	4.6	1,741	5.4
Total Loans	211	93.8	40,098	88.5	14	6.2	5,191	11.5

Geographic and Borrower Distribution

Overall, the bank's geographic distribution of lending reflects reasonable penetration throughout geographies of different income levels in the bank's assessment areas. Loans were generally located in the areas where the bank's branch offices are located and there were no conspicuous gaps in lending patterns.

The borrower distribution is excellent. Small business loans demonstrated excellent penetration among businesses of different revenue sizes and a majority of loans were made in smaller dollar amounts. Home mortgage loans included in the analysis were also reasonably distributed to borrowers of different income levels.

These overall conclusions are based on a variety of performance context issues that affect the individual conclusions in the separate assessment areas. Therefore, individual conclusions for the different assessments areas vary, and the facts and data supporting those assessments are presented within the separate assessment area analyses.

Response to Complaints

OPB did not receive any CRA-related complaints during the review period. Accordingly, the bank's performance in responding to complaints was not considered in evaluating its overall CRA performance.

Fair Lending or Other Illegal Practices Review

Concurrent with this CRA evaluation, a review of OPB's compliance with applicable consumer protection laws and regulation was conducted. The review found no evidence of violation of the substantive provisions of anti-discrimination, fair lending, or credit practices rules, laws or regulations.

FULL-SCOPE ASSESSMENT AREA CONCLUSIONS

For each assessment area where a full-scope review was performed using the examination procedures.

Florence Assessment Area

DESCRIPTION OF OPERATIONS IN FLORENCE

The Florence assessment area includes nine census tracts, located primarily in the western portions of Lane County. Among these nine census tracts are two census tracts located in the northwestern portion of Douglas County and one census tract located in southwestern portion of Lincoln County. This assessment area is home to the city of Florence, which lies fifty one miles west of the major metropolitan center of Eugene. Much of the assessment area lies within the Siuslaw National Forest. As of July 2017, the three counties were home to approximately 500,000 people.¹

As of June 30, 2017, 16 Federal Deposit Insurance Corporation-insured commercial institutions operated 133 offices within this assessment area. OPB maintains a limited market share and ranked 12th among the 16 institutions with total deposits of \$195.4 million, representing 2.3 percent of the market.²

Exhibit 3 on the following page, presents key demographic and business information used to help develop a performance context for the assessment area.

¹ U.S. Census Bureau, 2017 Population Estimates, Douglas, Lane and Lincoln Counties; available from: <http://quickfacts.census.gov/qfd/index.html>.

² Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2017; available from: <https://www5.fdic.gov/sod/sodMarketRpt.asp?barItem=2>.

EXHIBIT 3 ASSESSMENT AREA DEMOGRAPHICS FLORENCE 2017 2010 U.S. CENSUS AND 2017 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,806	25.6
Moderate-income	3	33.3	2,506	35.6	349	13.9	1,591	22.6
Middle-income	6	66.7	4,539	64.4	545	12.0	1,463	20.8
Upper-income	0	0.0	0	0.0	0	0.0	2,185	31.0
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	7,045	100.0	894	12.7	7,045	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract Income						
		Owner-Occupied			Renter-occupied		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	5,257	2,466	31.4	46.9	1,719	32.7	1,072	20.4
Middle-income	10,151	5,383	68.6	53.0	2,122	20.9	2,646	26.1
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Tract not reported	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	15,408	7,849	100.0	50.9	3,841	24.9	3,718	24.1
Income Categories	Total Businesses by Tract		Businesses by Tract Income & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	462	35.0	434	34.7	18	36.0	10	50.0
Middle-income	859	65.0	817	65.3	32	64.0	10	50.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,321	100.0	1,251	100.0	50	100.0	20	100.0
Percentage of Total Businesses			94.7		3.8		1.5	
2017 Median Family Income ³					2017 Median Home Price ⁴			
Douglas County			\$54,939		Douglas County		\$180,000	
Lane County			\$58,954		Lane County		\$256,925	
Lincoln County			\$53,682		Lincoln County		\$243,000	
2017 HUD Adjusted Median Family Income ⁵					2017 Unemployment Rate ⁶			
Douglas County			\$54,900		Douglas County		5.4%	
Lane County			\$59,000		Lane County		4.5%	
Lincoln County			\$53,700		Lincoln County		4.7%	

³ U.S. Department of Housing and Urban Development, Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il13/index.html>.

⁴ Trulia Real Estate, Oregon Home Prices, Median Sales Price; available from: www.trulia.com/blog/data-portal/data/.

⁵ U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il13/index.html>.

⁶ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

Economic Conditions

Douglas County's economy experienced economic growth during the review period and is mainly driven by education and health services, trade and transportation and manufacturing. With a federal veterans hospital in the county and a vital local government health care district in coastal Reedsport,⁷ education and health care provide for the largest source of employment and accounted for nearly 23 percent of the county's payroll employment in 2017.⁸ Trade, transportation, and utilities also make strong contributions to the county's economy and accounted for nearly 18 percent of employment.⁹ While manufacturing and construction were hard hit by the Great Recession and experienced substantial losses, the industry continued to regain lost ground and remains as the county's third largest industry in terms of employment.¹⁰

Similar to Douglas County, Lane County's economy also experienced economic growth and is largely driven by education and healthcare. PeaceHealth and the University of Oregon are the top two employers in the county, employing more than 10,000 employees.¹¹ Home to several educational institutions, multiple utility companies, and a federal courthouse, government employment continued to add stability to the county's economy. Another important industry that contributed to the county's economic growth was high-technology. Expansion of tech firms due to the low cost of doing business and a well-educated workforce allowed for huge population gains and robust income growth.¹²

As depicted in Exhibit 4 on the following page, a review of small business loan data reported by banks subject to the CRA shows that lending to small businesses improved during the review period consistent with the favorable economic trends. Nevertheless, levels remained well below pre-Great Recession levels for much of the review period suggesting that small businesses, which represent 94.7 percent of all businesses in the assessment area (see Exhibit 3), may face challenges in accessing credit.

⁷ State of Oregon Employment Department, Douglas County and Recent Business Trends, July 20, 2018; available from: www.qualityinfo.org/-/douglas-county-and-recent-business-trends.

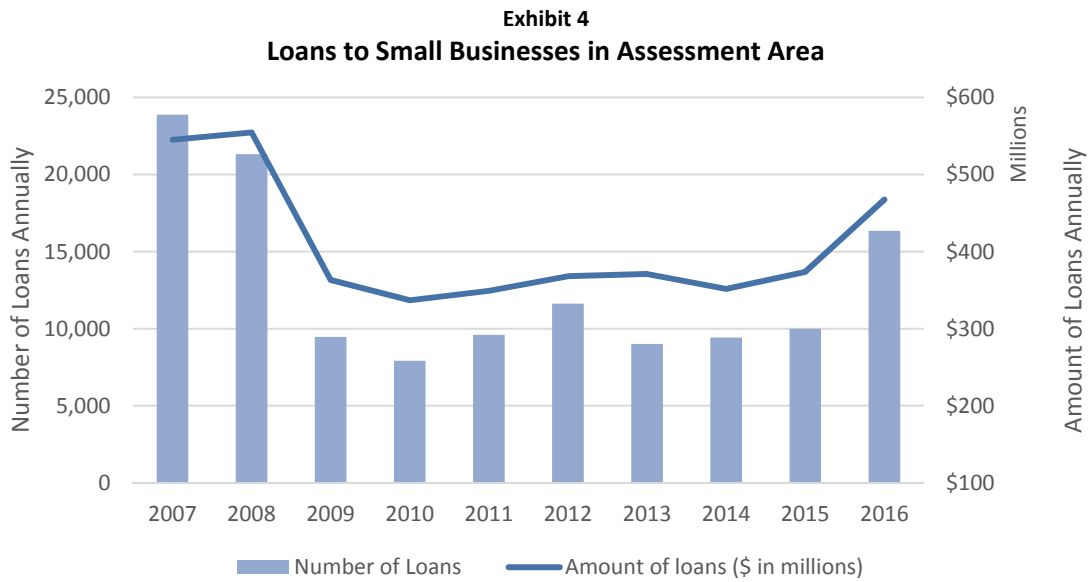
⁸ Ibid.

⁹ Ibid.

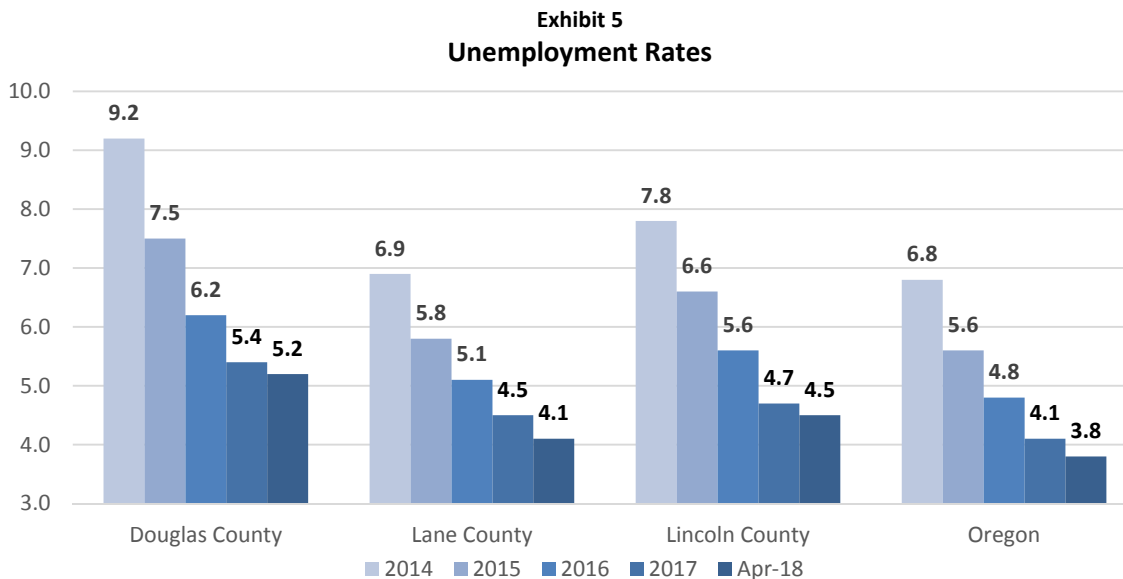
¹⁰ Ibid.

¹¹ Lane County Oregon, FY 17-18 Proposed Budget; available from: lanecounty.org/userfiles/servers/server_3585797/file/budget/fy%2017-18%proposed/overview.pdf.

¹² Moody's Precip Report, Eugene, August 2017.



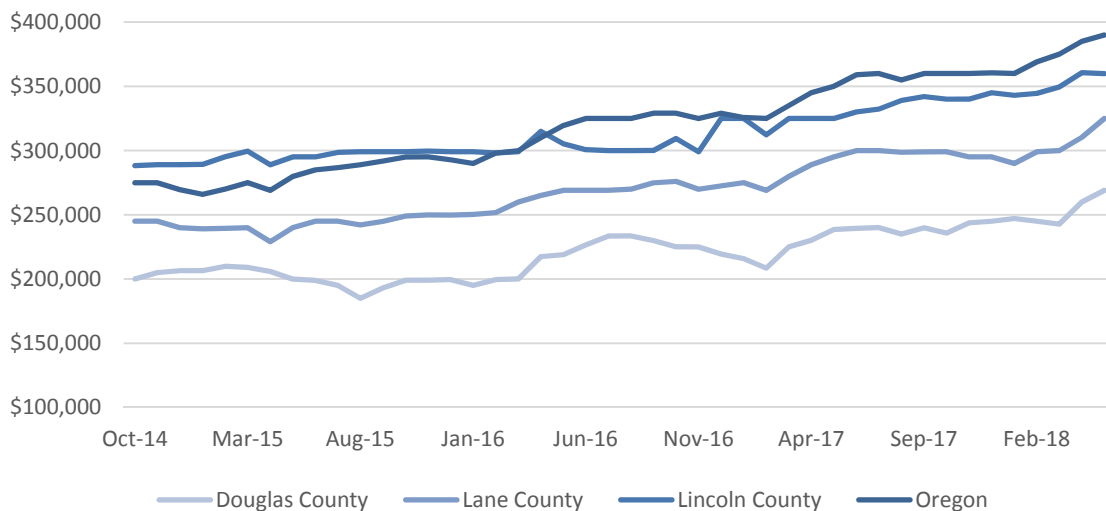
As depicted in Exhibit 5 below, the unemployment rates in all three counties in the assessment area decreased significantly during the review period, consistent with a recovering economy. However, all three counties have unemployment rates that are higher than the statewide average. In 2017, the annual unemployment rate was 4.1 percent in the state of Oregon.¹³



¹³ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County, available from <https://data.bls.gov/PDQWeb/la>.

As depicted in Exhibit 6 below, the prices of homes in the assessment area continually increased during the review period. As of December 2017, the median home price was \$245,000 in Douglas County, \$295,000 in Lane County, and \$345,000 in Lincoln County.¹⁴ Rising housing costs have decreased housing affordability and Douglas County and Lincoln County rank among the 10 percent least affordable rural counties in the country.¹⁵ Housing affordability is a challenge for renters as well. According to the National Low Income Housing Coalition, for every 100 renter households who need affordable housing, there are 25 affordable and available units at or below the extremely low income threshold in Oregon.¹⁶ In addition, 87 percent of extremely low-income renter households are cost-burdened meaning these households spend more than 30 percent of their income on housing costs and utilities.¹⁷

**Exhibit 6
 Median Home Prices**



Finally, as shown in Exhibit 7 on the following page, the poverty rate and food stamp usage rate for all three counties remain higher than the statewide average. Despite the recovering economy and low unemployment, all three counties continue to lag behind the rest of the state and struggle with high poverty and food stamp/SNAP enrollment.

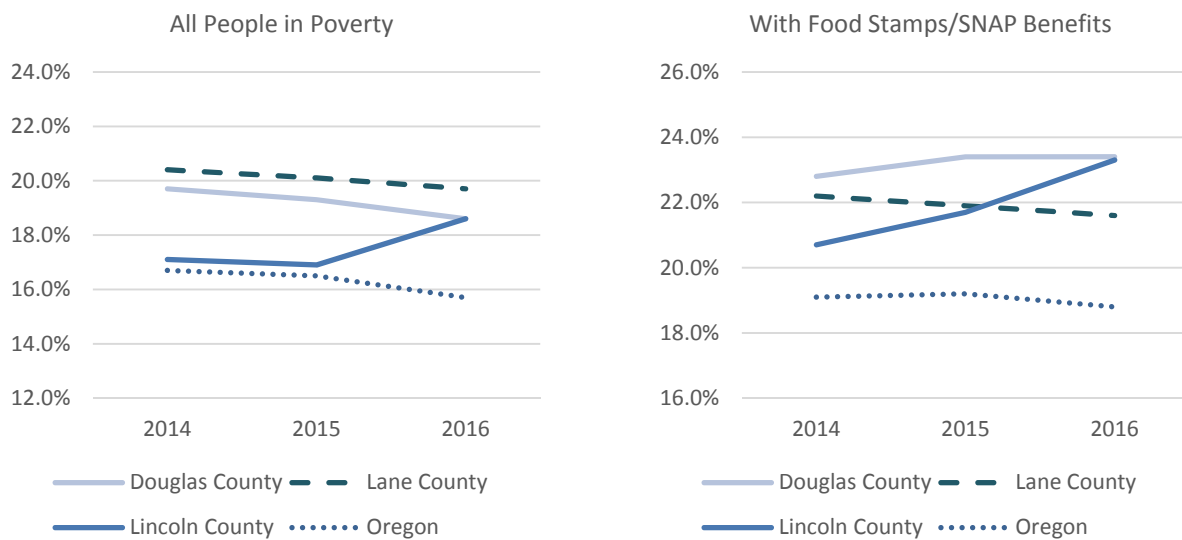
¹⁴ Trulia, Data Central, Median Listing Prices by Geography; available from: www.trulia.com/blog/data-portal/data.

¹⁵ Oregon Office of Economic Analysis, Rural Housing Affordability; available from: <https://oregoneconomicanalysis.com/2017/02/09/rural-housing-affordability>.

¹⁶ National Low Income Housing Coalition, Gap Report: Oregon; available from: <http://nlihc.org/gap/2016/or>.

¹⁷ Ibid.

**Exhibit 7
 Poverty and Food Stamp Usage Rates**



Credit and Community Development Needs

The CRA small business lending levels previously discussed, surveys and community contacts suggest that small businesses in the assessment area face challenges in accessing credit and that some level of small business credit needs remain unmet by area banks. According to the 2017 Small Business Credit Survey (SBCS), 70 percent of smaller firms (annual revenues of \$100K or less) experienced financing shortfalls and obtained less than the amount of financing sought, more often than larger firms.¹⁸ The vast majority of businesses applied for a business loan or line of credit¹⁹ and in amounts less than \$100K for purposes of business expansion or to pursue a new opportunity.²⁰ Information from community contacts suggested similar trends within the assessment area.

Rising prices in homes and rents as well as declining affordability also suggest the need for affordable housing development and financing within the assessment area. As mentioned previously, many residents in the assessment area are cost-burdened by increasing costs of housing and lack of affordable housing. According to information obtained by community contacts in the area, there are many barriers to housing affordability, such as difficulty in constructing, rehabilitating and preserving property, and a need for affordable housing financing and mortgage lending.

The high levels of poverty and food stamp usage rates in the assessment area highlight the importance of community service organizations working to help address the needs of this vulnerable population within the bank’s communities. The ongoing demands on these organizations suggest that there may be opportunities for banks to support the wide range of community needs ranging from technical assistance for small businesses to housing assistance and financial education programs for first-time homebuyers.

¹⁸ 2017 Small Business Credit Survey, Report on Employer Firms, available from: <https://fedsmallbusiness.org/medialibrary/fedsmallbusiness/files/2018/sbcs-employer-firms-report.pdf>.

¹⁹ Ibid.

²⁰ Ibid.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN FLORENCE

Overall, OPB’s lending in the Florence assessment area is excellent. Stronger geographic and borrower distribution performance was noted in the bank’s small business lending when compared to home mortgage lending. However, the geographic and borrower distributions for home purchase and home refinance lending are reasonable.

Lending Distribution by Geography

The geographic distribution of lending in the Florence assessment area is excellent. Loans were distributed throughout the assessment area with no conspicuous gaps, and were generally concentrated in the communities near the bank’s office. The lack of lending in low-income census tracts is due to the absence of such tracts in the assessment area.

Small Business Lending

The geographic distribution of lending to small businesses is excellent. As shown in Exhibit 8 below, the bank’s level of lending compares favorably to aggregate lending and the concentration of businesses in moderate-income census tracts.

EXHIBIT 8 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
FLORENCE Assessment Area 2017								
Bank Lending	0	0.0	5	62.5	3	37.5	0	0.0
Aggregate Lending	0	0.0	94	33.0	191	67.0	0	0.0
Business Concentration	0	0.0	462	35.0	859	65.0	0	0.0

Home Purchase Lending

The geographic distribution of home purchase loans is reasonable. Home purchase loans were reasonably distributed in moderate-income census tracts. As shown in Exhibit 9 on the following page, these lending patterns were generally consistent with aggregate lending and the percentage of owner-occupied housing in each census tract category.

EXHIBIT 9 GEOGRAPHIC DISTRIBUTION OF HOME PURCHASE LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
FLORENCE Assessment Area 2014								
Bank Lending	0	0.0	3	30.0	7	70.0	0	0.0
Aggregate Lending	0	0.0	102	33.3	204	66.7	0	0.0
Owner Occupied Housing	0	0.0	2,906	35.4	5,308	64.6	0	0.0
FLORENCE Assessment Area 2015								
Bank Lending	0	0.0	9	50.0	9	50.0	0	0.0
Aggregate Lending	0	0.0	170	40.7	248	59.3	0	0.0
Owner Occupied Housing	0	0.0	2,906	35.4	5,308	64.6	0	0.0
FLORENCE Assessment Area 2016								
Bank Lending	0	0.0	3	27.3	8	72.7	0	0.0
Aggregate Lending	0	0.0	148	33.9	289	66.1	0	0.0
Owner Occupied Housing	0	0.0	2,906	35.4	5,308	64.6	0	0.0
FLORENCE Assessment Area 2017								
Bank Lending	0	0.0	4	36.4	7	63.6	0	0.0
Aggregate Lending	0	0.0	175	35.3	321	64.7	0	0.0
Owner Occupied Housing	0	0.0	2,466	31.4	5,383	68.6	0	0.0

Home Refinance Lending

The geographic distribution of home refinance lending was also reasonable. As shown in Exhibit 10 on the following page, the bank’s overall performance was generally consistent with aggregate lending and the levels of owner-occupied housing in the assessment area. While year-over-year performance was inconsistent, this performance can be explained through relatively low volumes of lending that can easily skew the analysis.

EXHIBIT 10 GEOGRAPHIC DISTRIBUTION OF HOME REFINANCE LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
FLORENCE Assessment Area 2014								
Bank Lending	0	0.0	0	0.0	2	100.0	0	0.0
Aggregate Lending	0	0.0	81	41.1	116	58.9	0	0.0
Owner Occupied Housing	0	0.0	2,906	35.4	5,308	64.6	0	0.0
FLORENCE Assessment Area 2015								
Bank Lending	0	0.0	7	53.8	6	46.2	0	0.0
Aggregate Lending	0	0.0	106	37.7	175	62.3	0	0.0
Owner Occupied Housing	0	0.0	2,906	35.4	5,308	64.6	0	0.0
FLORENCE Assessment Area 2016								
Bank Lending	0	0.0	5	35.7	9	64.3	0	0.0
Aggregate Lending	0	0.0	144	40.8	209	59.2	0	0.0
Owner Occupied Housing	0	0.0	2,906	35.4	5,308	64.6	0	0.0
FLORENCE Assessment Area 2017								
Bank Lending	0	0.0	1	12.5	7	87.5	0	0.0
Aggregate Lending	0	0.0	79	29.2	192	70.8	0	0.0
Owner Occupied Housing	0	0.0	2,466	31.4	5,383	68.6	0	0.0

Lending Distribution by Borrower Income and Business Revenue

The borrower distribution of lending within the Florence assessment area is excellent. Similar to the geographic distribution, the bank's small business lending performance was stronger than the bank's home purchase and refinance lending. Nevertheless, the borrower distribution for the bank's home purchase and home refinance lending is reasonable.

Small Business Lending

The distribution of loans among businesses of different sizes is excellent. As shown in Exhibit 11 below, the bank provided a significant percentage of its small business loans to businesses with revenues of less than \$1 million. In addition, a substantial majority of the loans were originated in smaller dollar amounts, thereby helping address an articulated credit need in the community.

EXHIBIT 11 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2017	8	75.0	94.7	58.9	62.5	25.0	12.5

Home Purchase Lending

The distribution of home purchase loans to borrowers of different income levels is reasonable. While lending varied across the review period as shown in Exhibit 12, overall performance in lending to moderate-income borrowers compared reasonably to the aggregate. OPB's overall lending also outperformed the market in lending to low-income borrowers. This performance can be tied to the bank's offering of non-conventional loans (e.g., Federal Housing Administration loans) and loans to purchase and refinance manufactured housing.

EXHIBIT 12 BORROWER DISTRIBUTION OF HOME PURCHASE LOANS								
Borrower Income	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
FLORENCE Assessment Area 2014								
Bank Lending	0	0.0	3	33.3	2	22.2	4	44.4
Aggregate Lending	16	5.8	54	19.6	78	28.4	127	46.2
Families	1,583	22.9	1,777	25.7	1,427	20.7	2,115	30.6
FLORENCE Assessment Area 2015								
Bank Lending	3	17.6	0	0.0	4	23.5	10	58.8
Aggregate Lending	15	4.1	70	19.0	116	31.4	168	45.5
Families	1,583	22.9	1,777	25.7	1,427	20.7	2,115	30.6
FLORENCE Assessment Area 2016								
Bank Lending	3	27.3	2	18.2	1	9.1	5	45.5
Aggregate Lending	29	7.2	92	22.9	91	22.6	190	47.3
Families	1,583	22.9	1,777	25.7	1,427	20.7	2,115	30.6
FLORENCE Assessment Area 2017								
Bank Lending	2	18.2	4	36.4	1	9.1	4	36.4
Aggregate Lending	21	4.6	80	17.5	121	26.5	234	51.3
Families	1,806	25.6	1,591	22.6	1,463	20.8	2,185	31.0

Home Refinance Lending

The borrower distribution of home refinance loans is reasonable. With the exception of performance in reaching low-income borrowers in 2014, OPB' performance in reaching low- and moderate-income borrowers was generally consistent with or exceeded the performance of aggregate lenders as can be seen in Exhibit 13 below. The gap in performance for low-income borrowers in 2014 can be attributed to limited loan volumes during this reporting year.

EXHIBIT 13 BORROWER DISTRIBUTION OF HOME REFINANCE LOANS								
Borrower Income	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
FLORENCE Assessment Area 2014								
Bank Lending	0	0.0	1	50.0	1	50.0	0	0.0
Aggregate Lending	11	6.8	40	24.7	39	24.1	72	44.4
Families	1,583	22.9	1,777	25.7	1,427	20.7	2,115	30.6
FLORENCE Assessment Area 2015								
Bank Lending	1	8.3	2	16.7	3	25.0	6	50.0
Aggregate Lending	11	5.3	34	16.3	48	23.0	116	55.5
Families	1,583	22.9	1,777	25.7	1,427	20.7	2,115	30.6
FLORENCE Assessment Area 2016								
Bank Lending	1	8.3	2	16.7	2	16.7	7	58.3
Aggregate Lending	14	5.6	40	16.0	67	26.8	129	51.6
Families	1,583	22.9	1,777	25.7	1,427	20.7	2,115	30.6
FLORENCE Assessment Area 2017								
Bank Lending	2	33.3	2	33.3	0	0.0	2	33.3
Aggregate Lending	21	9.5	47	21.2	61	27.5	93	41.9
Families	1,806	25.6	1,591	22.6	1,463	20.8	2,185	31.0

Eugene Assessment Area

DESCRIPTION OF OPERATIONS IN EUGENE

The Eugene assessment area includes eighty census tracts in the eastern portions of Lane County and is home to the major metropolitan center of Eugene. OPB's operations in this assessment area are limited to a single professional banking office which caters to a niche market and provides select professional banking services. As of July 2017, Lane County had a population of 374,748 making it the fourth-most populous county in the state.²¹

The majority of OPB's banking activity is conducted within Lane County, which is a competitive marketplace for financial services. As of June 30, 2017, OPB held \$165.8 million in deposits, representing 3.1 percent of the market share and ranking the bank 10th out of 14 Federal Deposit Insurance Corporation-insured financial institutions operating within Lane County.²²

Exhibit 14 on the following page, presents key demographic and business information used to help develop a performance context for the assessment area.

²¹ U.S. Census Bureau, 2017 Population Estimates, Lane County; available from: <http://quickfacts.census.gov/qfd/index.html>.

²² Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2017; available from: <https://www5.fdic.gov/sod/sodMarketRpt.asp?barItem=2>.

EXHIBIT 14 ASSESSMENT AREA DEMOGRAPHICS EUGENE 2017 2010 U.S. CENSUS AND 2017 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	3	3.8	1,268	1.6	455	35.9	17,205	21.1
Moderate-income	16	20.0	15,371	18.8	3,117	20.3	14,306	17.5
Middle-income	41	51.3	45,507	55.7	4,975	10.9	16,703	20.5
Upper-income	20	25.0	19,492	23.9	1,041	5.3	33,424	40.9
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	80	100.0	81,638	100.0	9,588	11.7	81,638	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract Income						
		Owner-Occupied		Renter-occupied		Vacant		
		#	%	%	#	%	#	%
Low-income	7,244	729	0.9	10.1	5,775	79.7	740	10.2
Moderate-income	29,322	12,716	15.8	43.4	14,866	50.7	1,740	5.9
Middle-income	79,120	45,366	56.5	57.3	29,056	36.7	4,698	5.9
Upper-income	31,346	21,440	26.7	68.4	8,101	25.8	1,805	5.8
Tract not reported	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	147,032	80,251	100.0	54.6	57,798	39.3	8,983	6.1
Income Categories	Total Businesses by Tract	Businesses by Tract Income & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	967	5.8	847	5.5	113	9.1	7	6.4
Moderate-income	3,843	23.0	3,388	22.0	439	35.3	16	14.5
Middle-income	7,862	47.0	7,364	47.9	444	35.7	54	49.1
Upper-income	4,048	24.2	3,767	24.5	248	19.9	33	30.0
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	16,720	100.0	15,366	100.0	1,244	100.0	110	100.0
Percentage of Total Businesses		91.9		7.4		0.7		
2017 Median Family Income ²³				2017 Median Home Price ²⁴				
Lane County		\$58,954		Lane County		\$256,925		
2017 HUD Adjusted Median Family Income ²⁵				2017 Unemployment Rate ²⁶				
Lane County		\$59,000		Lane County		4.5%		

²³ U.S. Department of Housing and Urban Development, Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il13/index.html>.

²⁴ Trulia Real Estate, Oregon Home Prices, Median Sales Price; available from: www.trulia.com/blog/data-portal/data/

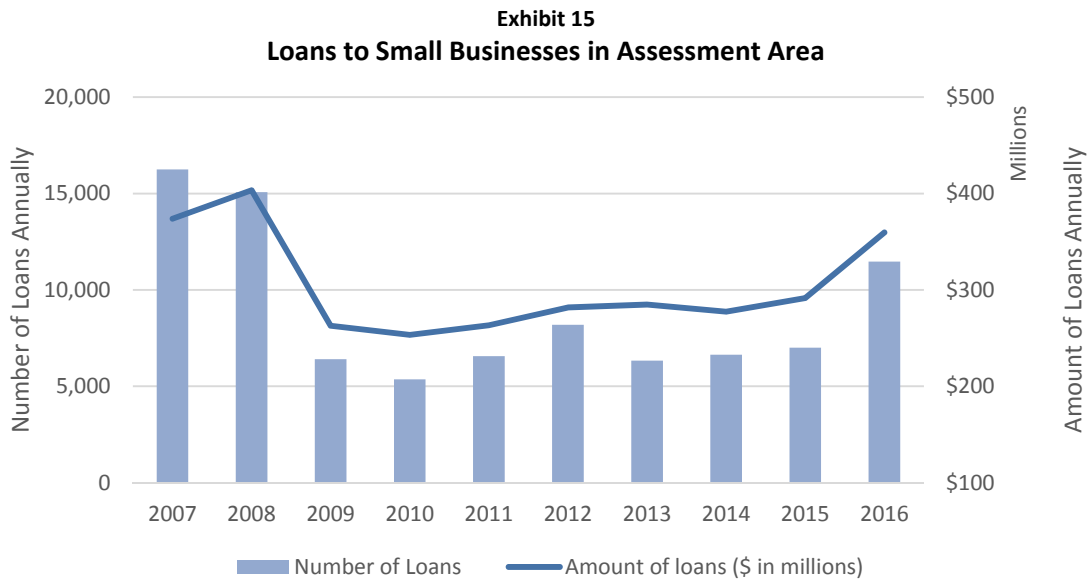
²⁵ U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il13/index.html>.

²⁶ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: http://data.bls.gov/cgi-bin/dsrv?la_

Economic Conditions

As mentioned previously, Lane County’s economy experienced economic growth during the review period. Economic growth was largely influenced by the strong education and healthcare sector as well as the growing technology sector. Universities and research institutes in the area supported innovation and provided stability and a pool of highly skilled workers for the area. Job opportunities in high wage industries, especially professional/business services, as well as a lower cost of doing business, encouraged workers and firms to move to the area.²⁷

Similar to the Florence assessment area small business lending levels improved during the review period consistent with the improving economy, but remained depressed relative to pre-Great Recession levels over the review period. These levels suggest that small businesses, which represent the vast majority of all businesses in the assessment area as depicted in Exhibit 15, face challenges in accessing credit.

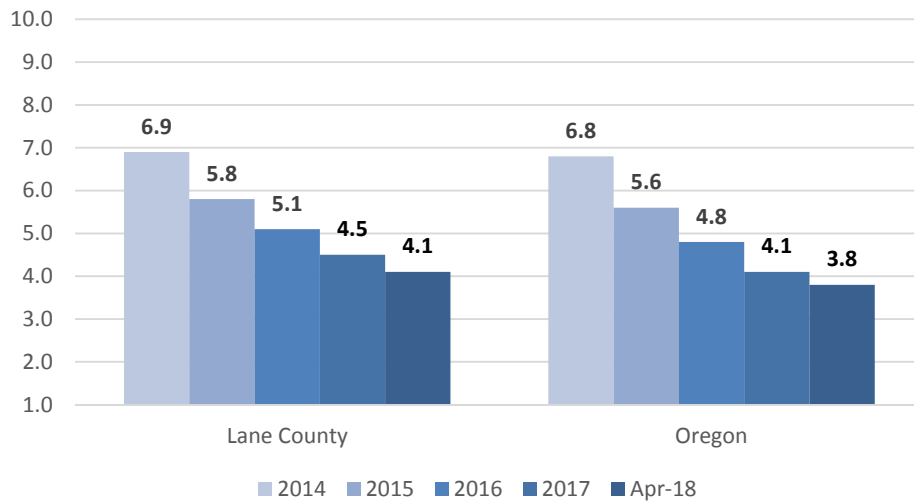


As depicted in Exhibit 16 on the following page, Lane County’s unemployment rate decreased significantly during the review period, indicating an improving economy. At the end of 2017, the annual unemployment rate was 4.5 percent in Lane County and 4.1 percent in Oregon.²⁸

²⁷ Moody’s Precis Report, Eugene April 2017.

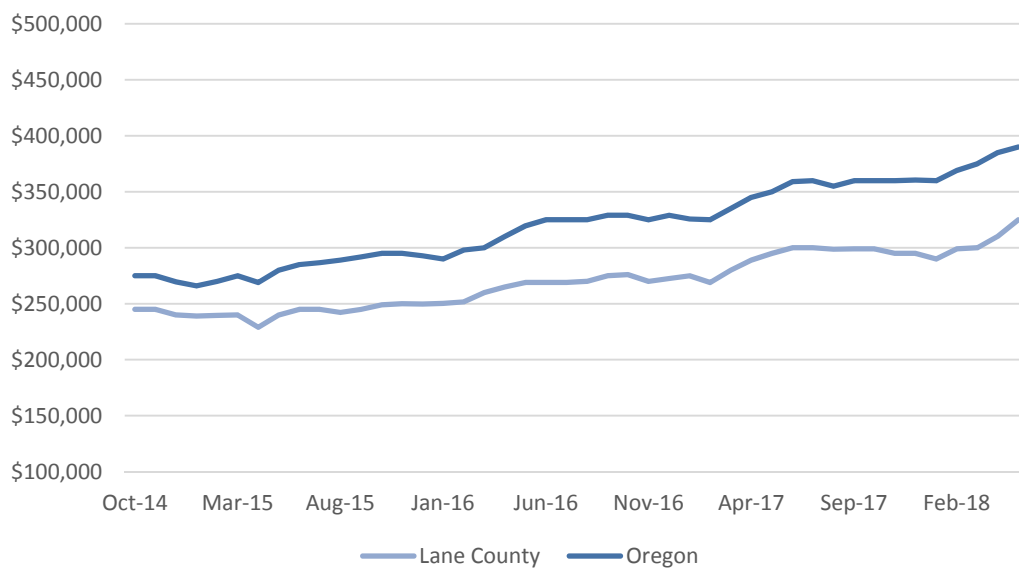
²⁸ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County, available from <https://data.bls.gov/PDQWeb/la>.

Exhibit 16
Unemployment Rates



As depicted in Exhibit 17 below, the prices of homes in Lane County increased during the review period. In May 2018, the median home value in Lane County was \$325,000 compared to \$390,000 in Oregon.²⁹ Overall, rising home prices in the entire state have made housing less affordable and accessible to households, especially those of low-income. According to the National Low Income Housing Coalition, there is a deficit of 135,693 affordable and available rental units in the state at or below 50% area median income (AMI).³⁰

Exhibit 17
Median Home Prices

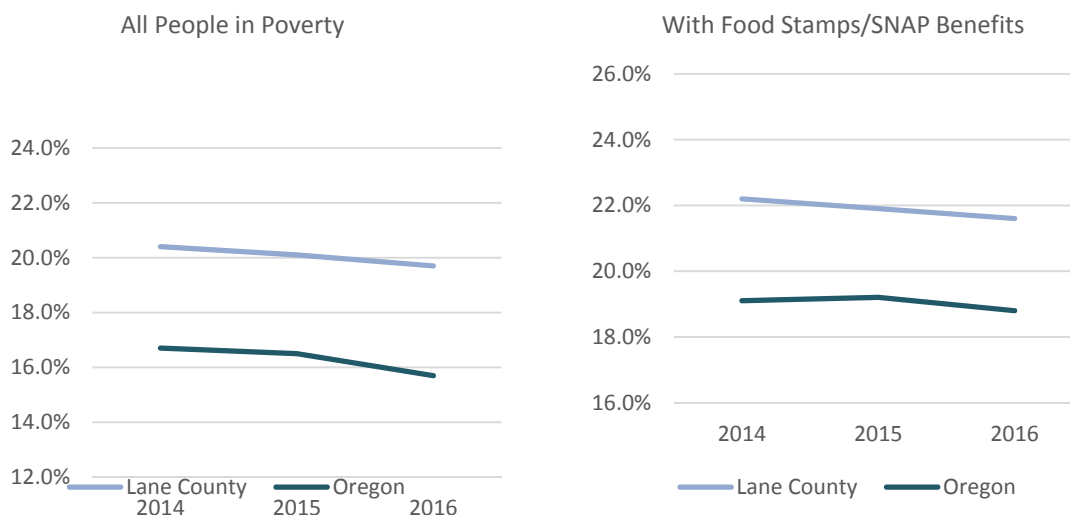


²⁹ Trulia, Data Central, Median Listing Prices by Geography; available from: www.trulia.com/blog/data-portal/data.

³⁰ National Low Income Housing Coalition, Gap Report: Oregon; available from: <http://nlihc.org/gap/2016/or>.

As depicted in Exhibit 18 below, the poverty rate and food stamp usage rate decreased in Lane County during the review period. However, both rates remain higher in Lane County than the statewide average. In addition, Lane County has a liquid asset poverty rate of 38.1 percent, which is higher than the nationwide rate of 36.8 percent.³¹ Liquid asset poverty measures the percentage of households without sufficient liquid assets to subsist at the poverty level for three months in the absence of income.

**Exhibit 18
 Poverty and Food Stamp Usage Rates**



Credit and Community Development Needs

Similar to the Florence assessment area, small businesses in Eugene face challenges in accessing credit and some level of small business credit needs remain unmet by local financial institutions. According to the 2016 SBCS 12th District Report, 66 percent of firms in the state of Oregon sought financing that amounted to less than \$100,000,³² highlighting the need for microloans in the area. In addition to financing for small business owners, there is a strong need for affordable housing financing as articulated by community contacts. Finally, there is an opportunity for banks to support the wide range of community development needs in the area by engaging in community development activities and/or partnering with organizations that address the aforementioned needs of those that are most vulnerable in the community.

³¹ Prosperity Now Scorecard, Local Outcome Report, Lane County, OR; available from: scorecard.prosperitynow.org/data-by-location#county/41039.

³² Federal Reserve Bank of San Francisco, Small Business Credit Survey, 12th District Report, 2016; available from: www.frbsf.org/community-development/data/2016-small-business-credit-survey-12th-district-report/files/small-business-credit-survey-12th-district-report.pdf.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN EUGENE

OPB's lending in the Eugene assessment area is reasonable. Loans were reasonably distributed throughout the assessment area with no conspicuous gaps in lending. In addition, OPB distribution of lending to businesses of different revenue sizes is excellent.

Distribution by Geography

Small Business Lending

The geographic distribution of small business loans is reasonable. As shown in Exhibit 19 below, the bank's performance in moderate-income census tracts was consistent with the performance of aggregate lenders. While no loans were originated in low-income census geographies, this is reasonable given the bank recently expanded into this assessment area during the review period with the opening of its branch in Eugene.

EXHIBIT 19 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
EUGENE Assessment Area 2017								
Bank Lending	0	0.0	5	25.0	7	35.0	8	40.0
Aggregate Lending	368	6.3	1,369	23.5	2,680	46.0	1,407	24.2
Business Concentration	967	5.8	3,843	23.0	7,862	47.0	4,048	24.2

Lending Distribution by Business Revenue

Small Business Lending

The distribution of loans among businesses of different sizes is excellent. As shown in Exhibit 20 below, OPB originated a significant majority of its loans to businesses with gross annual revenues of less than \$1 million, exceeding the performance of aggregate lenders operating within the assessment area. In addition, a majority of loans were originated in amounts less than \$250,000, thereby meeting an articulated credit need.

EXHIBIT 20 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2017	20	75.0	91.9	52.3	35.0	30.0	35.0

LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS

For each assessment area where a limited-scope review was performed using the examination procedures.

OPB's performance in the assessment areas receiving limited-scope reviews is generally consistent with the performance in the areas receiving full-scope reviews. Due to the bank's more limited presence in these markets and lower percentages of loans and deposits, the limited scope assessment areas received less weight than the full-scope assessment areas. Consequently, performance in these areas did not materially affect the bank's overall lending assessment. Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report.

EXHIBIT 21 LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS	
ASSESSMENT AREAS	LENDING TEST
Coos Bay	Consistent
Roseburg	Consistent

APPENDIX A

GLOSSARY OF TERMS

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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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 and community development tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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 and community development tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

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.

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) and the Thrift Financial Reporting (TFR) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

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

APPENDIX B

LIMITED-SCOPE ASSESSMENT AREA MARKET PROFILES

Coos Bay Assessment Area

The Coos Bay assessment area lies along the Oregon coast south of Florence and encompasses all of Coos County, which is composed of thirteen census tracts. As of 2017, Coos County housed a population of 63,888 people.³³ Although OPB maintains a full-service branch in Coos Bay which provides banking services to this region, overall loan volume is low.

In this assessment area, OPB operates one branch located in the city of Coos Bay. As of June 30, 2017, the bank's office held \$19.1 million deposits, representing 2.1 percent of the market share and ranking 7th out of seven FDIC-insured financial institutions operating in Coos County.³⁴

The following exhibits present key demographic and business information used to develop a performance context for the assessment area.

³³U.S. Census Bureau, 2017 Population Estimates, Coos County; available from:
<https://www.census.gov/quickfacts/fact/table/cooscountyoregon,US#viewtop>.

³⁴ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2017; available from:
<https://www5.fdic.gov/sod/sodMarketRpt.asp?barItem=2>.

EXHIBIT 22 ASSESSMENT AREA DEMOGRAPHICS COOS BAY ASSESSMENT AREA 2010 CENSUS AND 2017 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	3,153	20.1
Moderate-income	1	7.7	630	4.0	129	20.5	3,283	21.0
Middle-income	11	84.6	14,462	92.3	1,630	11.3	3,595	22.9
Upper-income	1	7.7	576	3.7	70	12.2	5,637	36.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	13	100.0	15,668	100.0	1,829	11.7	15,668	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,266	777	4.6	61.4	290	22.9	199	15.7
Middle-income	27,950	15,337	91.1	54.9	8,389	30.0	4,224	15.1
Upper-income	1,266	717	4.3	56.6	378	29.9	171	13.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	30,482	16,831	100.0	55.2	9,057	29.7	4,594	15.1
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	109	3.8	104	3.9	4	2.3	1	3.2
Middle-income	2,614	91.1	2,428	91.2	157	89.7	29	93.5
Upper-income	145	5.1	130	4.9	14	8.0	1	3.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2,868	100.0	2,662	100.0	175	100.0	31	100.0
% of Total Businesses				92.8		6.1		1.1
2017 Median Family Income ³⁵			\$50,354	December 2017 Median Housing Value ³⁶			\$249,000	
2017 HUD Adjusted Median Family Income ³⁷			\$50,400	2017 Unemployment Rate ³⁸			5.2%	

³⁵ U.S. Census Bureau, American Community Survey 1 Yr Estimates, 2017; available from: <http://factfinder2.census.gov>.

³⁶ Trulia Real Estate, Oregon Home Prices, Median Sales Price; available from: www.trulia.com/blog/data-portal/data/.

³⁷ U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il13/index.html>.

³⁸ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

EXHIBIT 23 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2017	5	60.0	92.8	55.6	40.0	60.0	0.0

EXHIBIT 24 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS									
Census Tract	Low		Moderate		Middle		Upper		
	#	%	#	%	#	%	#	%	
Coos Bay Assessment Area 2017									
Bank Lending	0	0.0	0	0.0	5	100.0	0	0.0	
Aggregate Lending	0	0.0	34	4.1	766	91.8	34	4.1	
Business Concentration	0	0.0	109	3.8	2,614	91.1	145	5.1	

Roseburg Assessment Area

The Roseburg assessment area lies south of Eugene and is composed of nineteen census tracts, all located within Douglas County. Much of this assessment area lies within the Umpqua National Forest.

In this assessment area, OPB operates one branch located in the city of Roseburg, which is the largest city within the assessment area. As of June 30, 2017, the bank's office in Roseburg held \$29.7 million deposits, representing 1.2 percent of the market share and ranking 7th out of seven FDIC-insured financial institutions operating in the city of Roseburg.³⁹

The following exhibits present key demographic and business information used to help develop a performance context for the assessment area.

³⁹ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2017; available from; <https://www5.fdic.gov/sod/sodMarketRpt.asp?barItem=2>.

EXHIBIT 25 ASSESSMENT AREA DEMOGRAPHICS ROSEBURG ASSESSMENT AREA 2010 CENSUS AND 2017 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	5,914	22.1
Moderate-income	2	10.5	2,935	11.0	711	24.2	4,944	18.5
Middle-income	16	84.2	21,641	80.9	2,944	13.6	5,238	19.6
Upper-income	1	5.3	2,170	8.1	64	2.9	10,650	39.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	19	100.0	26,746	100.0	3,719	13.9	26,746	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	5,108	2,821	10.5	55.2	1,648	32.3	639	12.5
Middle-income	35,595	22,027	81.8	61.9	10,279	28.9	3,289	9.2
Upper-income	3,723	2,064	7.7	55.4	1,211	32.5	448	12.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	44,426	26,912	100.0	60.6	13,138	29.6	4,376	9.9
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	404	8.6	382	8.8	18	6.3	4	7.5
Middle-income	3,769	80.3	3,489	80.1	232	81.7	48	90.6
Upper-income	519	11.1	484	11.1	34	12.0	1	1.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,692	100.0	4,355	100.0	284	100.0	53	100.0
% of Total Businesses				92.8		6.1		1.1
2017 Median Family Income ⁴⁰			\$54,939	December 2017 Median Housing Value ⁴¹			\$180,000	
2017 HUD Adjusted Median Family Income ⁴²			\$54,900	2017 Unemployment Rate ⁴³			5.4%	

⁴⁰ U.S. Census Bureau, American Community Survey 1 Yr Estimates, 2017; available from: <http://factfinder2.census.gov>.

⁴¹ Trulia Real Estate, Oregon Home Prices, Median Sales Price; available from: www.trulia.com/blog/data-portal/data/.

⁴² U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il13/index.html>.

⁴³ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

EXHIBIT 26 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2017	12	50.0	92.8	52.6	16.7	33.3	50.0

EXHIBIT 27 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS									
Census Tract	Low		Moderate		Middle		Upper		
	#	%	#	%	#	%	#	%	
ROSEBURG Assessment Area 2017									
Bank Lending	0	0.0	3	25.0	9	75.0	0	0.0	
Aggregate Lending	0	0.0	133	9.7	1,087	79.5	148	10.8	
Business Concentration	0	0.0	404	8.6	3,769	80.3	519	11.1	