

Baker Boyer Bank

Community Reinvestment Act

2023 Public File

§25.43 Content and availability of Public File

(a) Information available to the public: A bank shall maintain a public file that includes the following information:

1) All written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the bank's performance in helping meet the community credit needs, and any response to the comments by the bank, if neither the comments nor the responses contain statements that reflect adversely on the good name or reputation of any persons other than the bank or publication of which would violate specific provisions of law.

No written comments were received.

2) A copy of the public section of the bank's most recent CRA Performance Evaluation prepared by the Office of the Comptroller of the Currency (OCC). The bank shall place this copy in the public file within 30 business days after its receipt from the Office of the Comptroller of the Currency;

Please See Attached Copy of 2022 OCC CRA Performance Evaluation

3) A list of the bank's branches, their street addresses, and geographies;

<u>Branch Name</u>	<u>Address</u>	<u>Lobby & Drive-Thru Hours</u>	<u>Geocode</u>			
			<u>MSA</u>	<u>State</u>	<u>County</u>	<u>Census Tract</u>
<u>WW Main Branch</u>	7 W Main St, Walla Walla, WA 99362	<u>Lobby:</u> M-F – 9am – 5pm <u>Drive-Thru:</u> M-Th - 9am - 5:30pm F – 9am – 6pm	47460	53	071	9206.00
<u>Eastgate Branch</u>	1931 E Isaacs Ave, Walla Walla, WA 99362	<u>Lobby:</u> M-F – 9am – 5pm <i>Consumer & Mortgage Clients only</i> <u>Drive-Thru:</u> M-Th - 9am - 5:30pm F – 9am – 6pm	47460	53	071	9208.01
<u>Plaza Branch</u>	1530 Plaza Way, Walla Walla, WA 99362	<u>Lobby:</u> M-F- 9am - 5pm <u>Drive-Thru:</u> M-Th - 9am - 5:30pm F – 9am – 6pm	47460	53	071	9206.00
<u>Wheatland Branch</u>	1500 Catherine St, Walla Walla, WA 99362	<u>Lobby:</u> M-F – 9am – 10:30am (By Appointment)	47460	53	071	9207.01
<u>Tri-Cities Branch</u>	1149 N Edison, Suite A Kennewick, WA 99336	<u>Lobby:</u> M-F- 9am-4pm <u>Drive-Thru:</u> Closed	28420	53	005	0109.01
<u>Yakima Branch</u>	921 Seattle Slew Run, Yakima, WA 98908	<u>Lobby:</u> M-F- 9am-4pm <u>Drive-Thru:</u> None	49420	53	077	0004.01

24-Hour Drive-Thru ATM Locations

<u>Walla Walla Main Branch</u> 16 S 2 nd Ave Walla Walla, WA 99362	<u>Eastgate Branch</u> 1931 E Isaacs Ave Walla Walla, WA 99362	<u>Plaza Branch</u> 1530 Plaza Way Walla Walla, WA 99362
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4) A list of branches opened or closed by the bank during the current year and each of the prior two calendar years, their street addresses, and geographies;

June 2022 – Closure of Milton-Freewater Branch

<i>Branch Name</i>	<i>Address</i>	<i>Geocode</i>			
		<i>MSA</i>	<i>State</i>	<i>County</i>	<i>Census Tract</i>
<i>Milton Freewater Branch</i>	<i>320 N. Columbia, Milton Freewater, OR 97862</i>	<i>9999</i>	<i>41</i>	<i>059</i>	<i>9502.01</i>

5) A list of Services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at the bank's branches and descriptions of material differences in the availability or cost of services at particular branches, if any. At its option, a bank may include information regarding the availability of alternative systems for delivering retail banking services (e.g., ATMs, ATMs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs);

Please refer to the banking services and fee schedules below as of March 2023.

6) A map of each assessment area showing the boundaries of the area and identifying the geographies contained within the area, either in the map or in a separate list;

Please refer to Exhibit A-1 and Exhibit A-2 below for the geography and map details.

The Bank's assessment areas are located in Washington.

Washington:

- Walla Walla County
- Yakima County
- Benton County
- Franklin County

7) Any other information the bank chooses.

N/A

(b) Additional information available to the public:

- 1) **Banks other than small banks.** A bank, except a small bank or a bank that was a small bank during the prior calendar year shall include in its public file the following information pertaining to the bank and its affiliates, if applicable, for each of the two calendar years:

- (i) If the bank has elected to have one or more categories of its consumer loans considered under the lending test, for each of these categories, the number and amount of loans:
 - To low-, moderate-, middle-, and upper-income individuals;
 - Located in low-, moderate-, middle-, and upper-income census tracts; and
 - Located inside the bank's assessment area(s) and outside the bank's assessment area(s); and
- (ii) The Bank's CRA Disclosure Statement. The bank shall place the statement in the public file within three business days of its receipt from the OCC.

OCC 2022 Public Disclosure included below.

2) *Banks required to report Home Mortgage Disclosure Act (HMDA) data.* A bank required to report home mortgage loan data pursuant part 1003 of this title shall include in its public file a written notice that the institution's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (CFPB's) website at www.consumerfinance.gov/hmda.

The Bank did not receive any requests to view the Disclosure Statements in 2022.

The Bank's Modified HMDA LAR and Disclosure Statements may be obtained from the Consumer Financial Protection Bureau's website: www.consumerfinance.gov/hmda

- Institution name: Baker Boyer National Bank
- LEI: 2549009AOX259OY87H37

3) *Small Banks.* **N/A**

4) *Banks with strategic plans.* **N/A**

5) *Banks with less than satisfactory ratings.* **N/A**

(c) *Location of Public Information.* A bank shall make available to the public for inspection upon request and at no cost the information required in this section as follows:

- 1) At the main office, and if an interstate bank, at one branch in each state, all information in the public file; and
- 2) At each branch:
 - (i) A copy of the public section of the bank's most recent CRA Performance Evaluation and a list of services provided by the branch; and
 - (ii) Within five calendar days of the request, all the information in the public file relating to the assessment area in which the branch is located.

(d) *Copies.* Upon request, a bank shall provide copies, either on paper or in another form acceptable to the person making the request, of the information in its public file. The bank may charge a reasonable fee not to exceed the cost of copying and mailing (if applicable).

(e) *Updating.* Except as otherwise provided in this section, a bank shall ensure that the information required by this section is current as of April 1 of each year.

Baker Boyer Bank

COMMUNITY REINVESTMENT ACT STATEMENT

CRA Statement

Baker Boyer National Bank, headquartered in Walla Walla, Washington. Baker Boyer has six banking locations in Washington consisting of four branches in Walla Walla, and one branch each in Yakima and Kennewick, Washington. Baker Boyer National Bank is a full-service bank which is firmly committed to providing our community with a full range of quality products and services.

It is the policy of Baker Boyer National Bank to ensure proper adherence to the provisions and intent of the Community Reinvestment Act (CRA) so in order that the goals of meeting the credit needs of the communities the bank serves, including low-and moderate-income neighborhoods, are met. We are committed to serve our communities to the best of our abilities within the limits of our financial, physical, and staffing; paying heed to sound banking practices and our obligation to depositors and stockholders. The bank focuses on lending deposits locally to the people and communities within our lending area.

In order to ensure proper adherence to the provisions of the CRA, it is important to understand the methodology used by the Comptroller of the Currency, our bank regulator, for assessments of our performance. The bank receives positive consideration for home loans that we make to low- or moderate-income individuals within our primary market area (assessment area).

In addition to the direct lending to individuals described above, the bank also receives positive consideration for community development loans, investments, and services. In the context of CRA, "community development" means loans, investments, or services that the bank provides to:

- organizations or individuals that in turn provide affordable housing or other community services targeted to low- or moderate- income individuals
- small businesses or small farms (with gross revenues under \$1 million generally)

Nondiscrimination Policy Statement

It is the policy of Baker Boyer National Bank to comply with the letter and spirit of all applicable federal and state consumer protection, civil rights, and fair housing laws and regulations fully and completely. Each lending officer and bank employee is required to be knowledgeable of the requirements of all such laws and regulations affecting his or her job responsibilities, and it is the affirmative duty of each officer and employee to carry out their responsibilities at all times in a manner that complies with the requirements of all such applicable laws and regulations.

Baker Boyer National Bank's lending policies, procedures, and practices will not in any way discriminate against any person on the basis of race, color, religion, national origin, sex, marital status, age (providing the applicant has the capacity to enter into a contract) or other prohibited basis. This policy of nondiscrimination covers all aspects of bank services including, in particular, the application for, consideration of, granting, servicing, and collection of extensions of credit.

Assessment Areas

Baker Boyer has 3 assessment areas consisting of 6 banking locations.

- Walla Walla County, WA; MSA 47460 (4 locations)
 - Main Branch – Downtown - offers retail banking, consumer lending services and D.S. Baker Advisor services, which includes trust, investment, family advising and commercial lending services
 - Plaza, Eastgate and Wheatland - retail banking branches
- Yakima County, WA; MSA 49420 (1 location)
 - Yakima Branch - DS Baker Advisor location, which includes trust, investment, family advising and commercial lending services
- Benton and Franklin Counties, WA; MSA 28420 (1 location)
 - Kennewick Branch - DS Baker Advisor location, which includes trust, investment, family advising and commercial lending services

Technical Compliance

The Bank is in compliance with the Community Reinvestment Act. The Bank maintains a program to document its efforts to determine the community development, credit, investment, and service needs of our delineated communities.

The Chief Banking Officer is charged with the management and documentation of the Bank's CRA lending efforts and is responsible for the results of the CRA Lending Test score.

The Chief Operating Officer is charged with the management and documentation of the Bank's CRA investment efforts and is responsible for the results of the CRA Investment portion of the Community Development test.

The CRA Officer provides consultation, guidance and assists in coordinating and documenting efforts to carry out the program.

The Bank's lending area is defined generally as Walla Walla, Yakima, Benton and Franklin Counties, Washington; as illustrated by the maps attached in Exhibit A. Occasionally, the Bank will extend credit to borrowers who do not reside in its established market areas; but such extensions of credit is limited.

This file, the Bank's master Community Reinvestment Act public file is maintained by the Bank's CRA Officer. It is available on the Bank's intranet, ("The Vault") and accessible by all employees as well the Bank's website and accessible to the public.

CRA Strategic Program

Mission

Baker Boyer is a 153-year-old an independent community bank that is headquartered in Walla Walla, Washington. Our mission statement is “Family Legacies Grown Locally”.

The Bank believes in supporting the communities in which it operates through Community Development activities and through useful products and services. The Bank’s goal is to help grow, protect, and secure family legacies for generations. The Bank originates loans, provides donations, purchases investments, and renders services that promote the betterment of our economies, community infrastructures, opportunities, and education.

Objective

Baker Boyer’s objective is to focus community development activities that benefit the low-to-moderate income population within the Bank’s assessment areas. The Bank strives to work with community partners to identify opportunities that provide affordable housing or community services to low-to-moderate income individuals, as well as look for activities that promote economic development, stabilization or revitalization.

Additionally, Baker Boyer seeks to empower individuals to break the cycle of low-to-moderate income subsistence. It is a long-term goal that will take careful investment into the education, health, and economic infrastructure in order to both create a new educated and healthy workforce while pairing them with careers in industries of the future that are attracted to local communities.

Vision

It is the vision of Baker Boyer to continually increase the economic vitality of the communities the Bank serves in order to help everyone in the community increase their quality of life and economic circumstances. Baker Boyer’s CRA Strategic Program focuses on identifying the immediate needs of the Bank’s communities as well as to focus on long-term solutions to current socio-economic disparities. This includes working with community partners to find solutions for the immediate needs and to develop long-term solutions such as education of low-to-moderate income individuals in order to raise their long-term economic potential. Baker Boyer also looks to alleviate health burdens of low-to-moderate income individuals that hinder their economic escalation.

Additionally, to sustain a vibrant and sound economy with increasing prosperity, Baker Boyer continues to invest in other businesses and activities that add to the economic vitality of the communities the Bank serves.

Types of Credit Offered by Baker Boyer National Bank:

Consumer

Unsecured

When, in the loan officer's judgment, it is in the Bank's best interests to do so, the Bank will lend on an unsecured basis to consumer customers. Because unsecured loans inherently involve greater risks than secured loans, the following factors will be carefully considered by the loan officer and approved by the underwriter in making the decision:

- Credit history
- Debt ratio
- Maximum loan
- Employment
- Ability to repay

Automobile Loans

Any loan in which an automobile or truck is used as collateral is classified as an automobile loan. The Bank continues to offer both direct loans to bank customers and dealer-originated loans.

Debt Consolidation Loans

Baker Boyer National Bank makes Debt Consolidation Loans.

Recreational Vehicle/Equipment Loans

This class of loan includes campers, camp trailers, travel trailers, stock/horse trailers, boats, motor homes, motorcycles, and snowmobiles.

Personal Equipment and Appliance Loans

This type of loan is most often given for the purchase of computers, kitchen appliances or small lawn or garden equipment. As these items depreciate rapidly the term is kept short.

Savings and Time Certificate of Deposit Loans

This type of loan is considered to be 100% secured and, when properly documented, is the safest loan a bank can make. These loans are secured by savings instruments held at Baker Boyer. The Bank does not make loans against saving instruments at other institutions.

Stocks and Bonds as Collateral

Stock loans fall into two categories: those made to buy or carry margin stocks, and all other loans secured by stock. When the purpose is to buy or carry margin stock, the loan officer should refer to the Regulation U section of HPMS Volume 5 for additional guidance. For all other stock loans, compliance with this statement of policy is all the guidance needed.

Aircraft

Fixed-wing aircraft are good collateral; and, when properly made, loans usually pay as agreed.

Real Estate

Term Real Estate Loans

Real Estate term loans are offered for custom construction, purchase or refinance to owner occupied or non-owner occupied; secured by a first lien on 1-4 family properties including condominiums, PUD, real property manufactured homes, primary and secondary residences.

Interim Real Estate Loans

The Bank's policy is to establish a portfolio which will assure fulfillment of the Bank's responsibilities in:

- Keeping its depositors' money safe,
- Earning sufficient income to provide adequate return on its capital, and
- Enabling our community and trade area to grow and prosper.

The extension of interim loans is considered a proper form of Commercial lending. Because this type of loan is generally very short and is paid when the project is completed, the Bank attempts to make loans of this type within the bounds of sound banking practice.

Home Improvement Loans and Home Equity Lines of Credit

Home Improvement Loans and Home Equity Lines of Credit (HELOC) can be made for a variety of reasons including, but not limited to:

- Additions to a home, air conditioning, heating, a new roof, remodeling, swimming pools, fences, landscaping, etc.;
- Debt consolidation;
- Purchase of other assets.

The Bank offers HELOC's with an open-ended term of ten years, after which, converts to a fully amortized loan based on a maximum of a 180-month term.

Second Mortgage Loans

Second mortgage loans are a proper loan for the Bank and often take the form of the home improvement loan discussed above.

Land Loans

The Bank offers Land loans for commercial purposes to developers and non-developers, as well as consumer loans for various purposes.

Manufactured Home Loans

The Bank offers manufactured home loans for the purpose of purchase or refinance in the event they are defined as real property permanently affixed to land.

Consumer Ready Credit/ODP (Overdraft Protection)

Ready Credit or ODP is a line of credit tied directly to a customer's checking account. This type of loan is available through the Installment Loan Department. It saves the customer overdraft charges by automatically transferring funds into their checking account to cover checks if their own funds do not. It has also become an excellent tool in helping the lower income and retired borrowers who may qualify for a small loan and can afford only a small minimum monthly payment.

Commercial

Commercial Lines of Credit

It is our policy of the Bank to grant sound, short-term loans to local business customers that the Bank's resources permit, and opportunity affords. This is a community responsibility as well as a sound and profitable banking practice. Short-term lines of credit may be unsecured or may be secured with, among other things, accounts receivable or inventory.

Agricultural Loans

Agricultural loans cover three basic areas:

1. Farm-Operating Lines of Credit,
2. Livestock and Equipment financing, and
3. Capital Improvements.

Commercial Term Loans

Term loans are loans, not including qualifying real estate loans, with maturities greater than one year, which regularly amortize, and which are typically repaid from the business' cash flow.

Business Loans

Business loans are divided into four categories:

1. Operating lines of credit,
2. Loans for equipment purchased
3. For other capital improvement, and
4. Loans to new businesses partially guaranteed by the Small Business Administration.

Aircraft

Fixed-wing aircraft are good collateral; and, when properly made, loans usually pay as agreed.

Commercial Ready Credit/ODP (Overdraft Protection)

Ready Credit or ODP is a line of credit tied directly to a customer's checking account. This type of loan is available through the Installment Loan Department. It saves the customer overdraft charges by automatically transferring funds into their checking account to cover checks if their own funds do not. It has also become an excellent tool in helping the lower income and retired borrowers who may qualify for a small loan and can afford only a small minimum monthly payment.

Profile of Participation in Special Loan Categories:

Loan Analysis

As of December 31, 2022, the total Bank deposits were \$690,845 and total net loans were \$348,019; for a loan-to-deposit ratio of 50.38%. The loan portfolio mix for each quarter end of 2022 is as follows:

<i>Dollar amounts in thousands</i>	<u>Quarter 1</u> <u>3/31/2022</u>	<u>Quarter 2</u> <u>6/30/2022</u>	<u>Quarter 3</u> <u>9/30/2022</u>	<u>Quarter 4</u> <u>12/31/2022</u>
Real Estate Loans	273,606	281,612	282,469	286,678
Commercial Loans	45,663	39,778	40,007	42,441
Individual Loans	2,049	2,199	2,078	2,567
Agricultural Loans	12,587	18,409	16,293	14,108
Other LN&LS in Domestic Offices	6,422	6,745	6,993	5,643
LN&LS Allowance	6,579	3,248	3,402	3,418
Net Loans & Leases	333,748	345,495	344,438	348,019
Real Estate Loans	81.98%	81.51%	82.01%	82.37%
Commercial and Other	15.61%	13.47%	13.65%	13.82%
Agricultural Loans	3.77%	5.33%	4.73%	4.05%
Installment / Individual	0.61%	0.64%	0.60%	0.74%
Loan loss Allowance	1.97%	0.94%	0.99%	0.98%
	100.00%	100.00%	100.00%	100.00%
Total Deposits	740,751	727,793	730,898	690,845
	45.06%	47.47%	47.13%	50.38%

EXHIBIT A-1

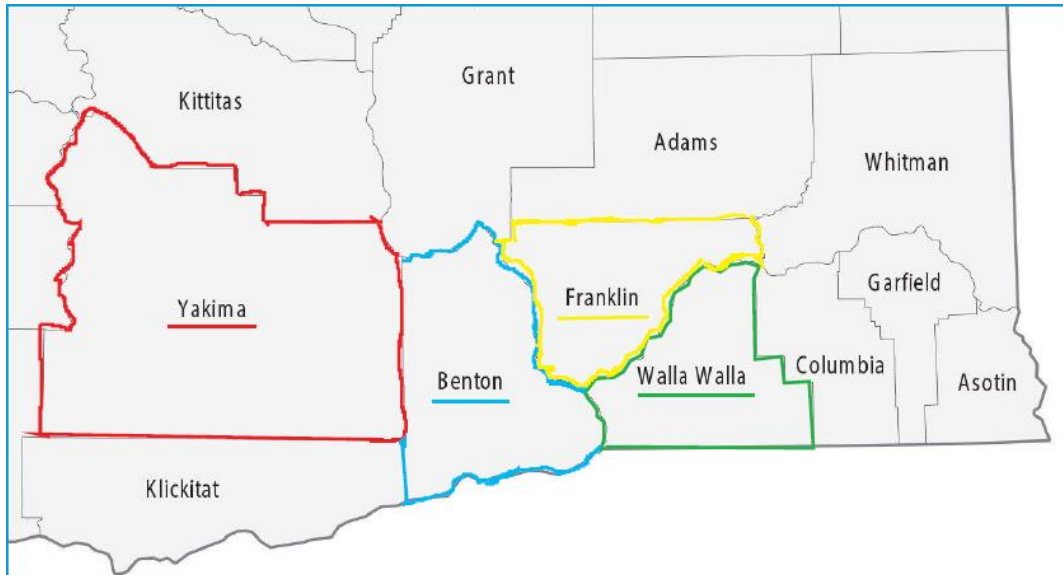
BAKER BOYER NATIONAL BANK - ASSESSMENT AREA CENSUS TRACTS

Benton County 005		Franklin County 021	Walla Walla County 071	Yakima County 077	
State 53 - MSA 28420		State 53 - MSA 28420	State 53 - MSA 47460	State 53 - MSA 49420	
0101.00	0115.05	0201.01	9200.00	0001.00	0020.03
0102.01	0115.06	0201.02	9201.00	0002.00	0020.04
0102.03	0116.00	0201.03	9202.00	0003.01	0020.05
0102.04	0117.01	0202.01	9203.01	0003.02	0020.06
0103.00	0117.02	0202.02	9203.02	0004.01	0021.01
0104.00	0118.01	0203.00	9204.00	0004.02	0021.03
0105.00	0118.02	0204.01	9205.00	0005.00	0021.04
0106.00	0119.00	0204.02	9206.00	0006.00	0022.01
0107.01	0120.00	0204.03	9207.01	0007.00	0022.02
0107.03		0204.04	9207.02	0008.00	0027.01
0107.05		0205.01	9208.01	0009.02	0028.01
0107.07		0205.03	9208.02	0009.03	0028.03
0107.08		0205.04	9209.01	0009.04	0028.04
0108.07		0206.03	9209.02	0010.00	0029.00
0108.09		0206.05		0011.00	0030.02
0108.10		0206.06		0012.01	0030.03
0108.11		0206.07		0012.02	0030.04
0108.14		0206.08		0013.00	0031.00
0108.15		0207.00		0014.00	0032.00
0108.16		0208.01		0015.02	0034.00
0108.17		0208.02		0015.03	9400.01
0108.18		9801.00		0015.04	9400.02
0108.19				0016.01	9400.03
0108.20				0016.02	9400.05
0109.01				0017.01	9400.02
0109.02				0017.02	9400.03
0110.01				0018.01	9400.05
0110.02				0018.02	9400.06
0111.00				0019.01	9400.07
				0019.02	9400.08

EXHIBIT A-2

COMMUNITY DELINEATION:

Walla Walla, Yakima, Benton & Franklin Counties, Washington



Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Comptroller of the Currency (OCC) evaluates our record of helping to meet the credit needs of this community, consistent with safe and sound operations. The OCC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the OCC, and comments received from the public relating to our assessment area needs and opportunities, as well as our responses to those comments. You may review this information today by reviewing the public file which is available at www.bakerboyer.com.

You may also have access to the following additional information, which we will make available to you after you make a request to us: (1) A map showing the assessment area containing a select branch, which is the area in which the OCC evaluates our CRA performance for that particular community; (2) branch addresses and associated branch facilities and hours in any assessment area; (3) a list of services we provide at those locations; (4) our most recent rating in the assessment area; and (5) copies of all written comments received by us that specifically relate to the needs and opportunities of a given assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

At least 30 days before the beginning of each quarter, the OCC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Deputy Comptroller, 1050 17th Street, Suite 1500, Denver, CO 80265. You may send written comments regarding the needs and opportunities of any of the bank's assessment areas to Cherie Engebretson, CRA Officer, Baker Boyer National Bank, 7 West Main, Walla Walla, WA 99362, engebretc@bakerboyer.com and Deputy Comptroller, 1050 17th Street, Suite 1500, Denver, CO 80265, CRACOMMENTS@OCC.TREAS.GOV. Your comments, together with any response by us, will be considered by the Comptroller in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the Deputy Comptroller. You may also request from the Deputy Comptroller an announcement of our applications covered by the CRA filed with the Comptroller. We are an affiliate of Baker Boyer Bancorp, a bank holding company. You may request from the Federal Reserve Bank of San Francisco, 101 Market Street, San Francisco, CA 94105, and an announcement of applications covered by CRA filed by bank holding companies.

Baker Boyer Bank

Regulation C, Home Mortgage Disclosure Act (HMDA)

Background and Purpose

Congress enacted the Home Mortgage Disclosure Act (HMDA) in 1975 to monitor residential mortgage lending practices of financial institutions. Financial Institutions must report information concerning loan originations, loans purchased, or loans sold during the year as well as data regarding loan applications that do not result in an origination, such as denials and withdrawals. The regulation requires institutions to report lending data to their supervisory agencies on a loan-by-loan and application-by-application basis by way of a “register” reporting format.

The purpose of HMDA is to:

- Provide the public with mortgage lending data that demonstrates whether a particular financial institution is serving the housing credit needs of its community;
- Aid public officials in distributing public-sector investments and attracting private-sector investments where needed;
- Assist examiners and others in identifying potentially discriminatory lending activities; and
- Aid regulators in enforcing anti-discrimination laws and regulations.

The Consumer Financial Protection Bureau (CFPB) implements HMDA. The Office of the Comptroller of the Currency (OCC) is required to assess the bank’s HMDA compliance during regular compliance examinations. The OCC also uses HMDA data to help determine the bank’s performance under the Community Reinvestment Act (CRA).

Statement of Policy

It is the policy of Baker Boyer Bank to comply with the Home Mortgage Disclosure Act and the requirements of Regulation C. The Bank’s Loan Application Register shall be completed accurately and completely and updated no less frequently than thirty days after the end of the calendar quarter in which the final action (origination of loans, denial, or withdrawn application) is taken. The bank has the option to include HELOCs and withdrawn pre-approvals in the HMDA Loan Application Register; at this time such loans will not be reported.

The Bank’s completed Loan Application Register for each calendar year shall be filed with the CFPB prior to March 1st of the following year.

The HMDA data about the Bank’s residential mortgage lending is available online through the CFPB’s website.

[The Home Mortgage Disclosure Act](#)

Institution name:

Baker Boyer National Bank Respondent

LEI: 2549009AOX259OY87H37

The Master Home Mortgage Disclosure Act public file is maintained by the Compliance Department. A notice of the availability of our HMDA data is displayed in each branch lobby.

Community Reinvestment Act - *Baker Boyer Bank Employee Services 2023*

CRA Qualified Services

Amanda Anderson, AVP Assistant HR Manager / Career Development Advisor – **Edison Elementary School PTA**. Serves on PTA by planning activities of interaction and development for the students, parents, and teachers at Edison Elementary School by providing services to low-income students and parents, while addressing the needs in the school community and planning events, fundraising and drives. Edison Elementary School is a Title 1 – Bilingual Elementary School with High Poverty School via data from Washington Office of Superintendent of Public Instruction <https://www.k12.wa.us/policy-funding/child-nutrition/child-nutrition-program-reports> Edison Elementary School at 64.2% total Free & Reduced Lunches based on 2021/2022 school year. *Serving Walla Walla County with 23.0 hours volunteered in 2022.*

Ana Meza, Private Business Banking Associate – **Walla Walla Asset Building Coalition through Blue Mountain Action Council (BMAC)**. Helped teach Elementary Schools Camp Fire after school program to children Kindergarten - 5th grade at Berney, Edison, Green Park, and Prospect Point Elementary Schools, about the importance of understanding money and saving. *Serving Walla Walla County with 7.0 hours volunteered in 2022.*

Becky Kettner, AVP Investment Advisor – **YWCA of Walla Walla - Board of Director Member**. Serve as an Executive Committee Board member and Co-Chair of the Investment Committee helping the YWCA to enriches the lives of women and their families. Volunteerism focused on supporting and promoting the Domestic Violence and Sexual Assault Resource Center: a domestic violence shelter, counseling, support groups, advocacy, information and more. Donor solicitations went to support other programs such as childcare programs and a number of community and personal enrichment programs. *Serving Walla Walla County with 78 hours volunteered in 2022.*

Brad Hansen, VP Senior Family/Trust Advisor – **Yakima Valley Memorial Foundation**. Serves as Co-Chair on a \$15 million fundraising campaign to expand Children's Village, a comprehensive care unit for children, as well as remodeling the family birthplace unit at Yakima Valley Memorial Hospital. Provided guidance on fundraising strategy, project deliverables and timelines. Children and parents of children. Children's village focuses on children with disabilities or medical defects that require continuity of care through adulthood. The family birthplace assists with deliveries and includes the only Level 3 NICU within 150 miles of Yakima. *Serving Yakima County with 60 hours volunteered in 2022.*

Cathy Schaeffer, VP Family Advisor Manager – **Touchet School District**. Serves as Chair on the Board of Directors. Monthly meetings, open to the public, as well as work sessions, public hearings, and regular events are the activities that comprise the bulk of volunteer service in this position. The Touchet School Board is the elected authority for local school regulations, policy, programs, and procedures within the framework of state law. Responsible for translating the educational ideals, values, and goals of the community into concepts of policy. Ensure goals are set to provide long-range planning for local education; the district budget is balanced; interests are protected; and that buildings and grounds are maintained. High Poverty School via data from Washington Office of Superintendent of Public Instruction <https://www.k12.wa.us/policy-funding/child-nutrition/child-nutrition-program-reports> Touchet School District 9 at 52.4% total Free and Reduced lunches based on 2021/2022 school year. *Serving Walla Walla County with 45 hours volunteered in 2022.*

Cathy Schaeffer, VP Family Advisor Manager – **Downtown Walla Walla Foundation**. Serves as a Board of Directors member and Treasurer. The Downtown Walla Walla Foundation Board focuses on community development and maintaining a comprehensive downtown revitalization strategy implementing a balance of activities in the areas of organization, promotion, design and economic vitality. This includes coordinating with community members, businesses, local governments, and non-profit enterprises. *Serving Walla Walla County with 60 hours volunteered in 2022.*

Cathy Schaeffer, VP Family Advisor Manager – **Walla Walla Community College Foundation (WWCC)**. Serves as a Board of Directors member and Secretary, as well as member on the Investment Committee. The WWCC Foundation exists to transform student lives and the communities they serve. The WWCC Foundation's primary purpose is to raise, manage, and grant financial support in order to assure student access and educational excellence at WWCC. We do this by providing financial assistance to WWCC students; strengthening the work and services of the college, and; strategic investment to ensure that WWCC programs are "best in class." The Foundation eliminates financial barriers to students' educational dreams. Each year, Walla Walla Community College awards 500+ scholarships to students, with the average award ranging from \$900-\$1,500. *Serving Walla Walla County with 35 hours volunteered in 2022.*

Cherylyn Hoerner, AVP Loan Operations Manager – **Walla Walla Public Schools Music Boosters Organization**. Serve as Vice-President of the Board of Directors. Reviews and approves financial aid and evaluation requests for all students to be able to participate in music courses, training, competition within the Walla Walla Public School District, regardless of income or level. *Serving Walla Walla County 6 hours donated in 2022.*

Claudia Houck, VP Family Advisor – **Soroptimist Dream It * Be It & Soroptimist of Tri-Cities**. Serve as a member of Soroptimist and Soroptimist "Dream It, Be It" program to help mentor and gives women and young girls the tools they need to achieve their education and career goals, empowering them to break cycles of poverty, violence and abuse. *Serving Benton and Franklin Counties with 29.0 hours volunteered in 2022.*

Jolene Riggs, EVP Chief Financial Officer - **The Health Center (Student Based Health Center)**. Served as President on the Board of Directors. Providing free medical, behavioral health and social-support referral services to more students than ever, operating Health Center clinics at Pioneer Middle School and Lincoln and Wa-Hi. The Health Center, is able to intervene in a variety of ways to protect and support students. They engage with students from diverse backgrounds and circumstances, providing equal opportunity to receive medical and mental health care. Primarily low income without insurance and easy access to these services. High Poverty School District via data from Washington Office of Superintendent of Public Instruction <https://www.k12.wa.us/policy-funding/child-nutrition/child-nutrition-program-reports> Walla Walla School District at 64.41% total Free and Reduced lunches based on 2021/2022 school year. *Serving Walla Walla County with 14.0 hours volunteered in 2022.*

Kain Evans, EVP Chief Technology Officer - **Valley Residential Services**. Serves on the Finance Committee and provides Information Technology consulting. Valley Residential Services provides to all low-income, supervised housing for developmentally disabled adults, transitional housing for Veteran's recovering from substance abuse, and supervised visitation, transportation, and parenting skills instruction for parents who receive services from the Washington State Department of Social and Health Services (DSHS) Division of Children and Family Services (DCFS). *Serving Walla Walla County with 10 hours volunteered in 2022.*

Lacey Braswell, VP Properties Manager & Executive Assistant – **BPO Elks Lodge #287**. Serves as a member of the Board of Directors to review financial statements, and recommend areas of improvement, spending, etc. The Elks invest in their communities through programs that help children grow up healthy and frug-free, meet the needs of today's Veteran's, and improve the quality of life. To inculcate the principles of Charity, Justice, Brotherly Love and Fidelity; to recognize a belief in God; to promote welfare and enhance the happiness of its Members; to quicken the spirit of American patriotism; to cultivate good friendship; to perpetuate itself as a fraternal organization, and to provide for its government, the Benevolent and Protective Order of Elks of the United States of America will serve the people and communities through benevolent programs, demonstrating that Elks Care and Elks Share. *Serving Walla Walla County with 30 hours volunteered in 2022.*

Lora Linn, Assistant Director of Retail Banking – **Horizon Projects Inc.** Served on the Board for Horizon Project which is a 501c3 Non-Profit that partners with Umatilla County, the State of Oregon, and the Federal Government to provide community-based care for individuals with intellectual and developmental disabilities. *Serving Umatilla County (Milton-Freewater Branch was open and in CRA Assessment Area) with 1.5 hours volunteered in 1st quarter 2022.*

Michelle Thacker, VP Cash Management Services Manager – **Athena Weston School District Budget Committee**. Serve as member of the Board. We review, amend and approve the school year budget and financial planning of school supplies, food service, teacher salaries and benefits, sports equipment, technology, transportation, etc. High Poverty School via Oregon.gov data showing Weston-Athena School District #29 at 61.56% for Free and Reduced lunches. Based on 2020/2021 school year. *Serving Umatilla County (Milton-Freewater Branch was open and in CRA Assessment Area) with 16 hours volunteered in 2nd quarter 2022.*

Rob Blethen, EVP D.S. Baker Advisors – **Blue Mountain Health Cooperative**. Serves on the Board of Directors that is a 501c3 Non-Profit that provides mental health services for Low-Income. Offers advice and financial perspective. To offer accessible mental health services to the community while creating an innovative learning environment for future providers. Create a healthier community through quality and affordable mental health care. Walk in services are completed on a by-donation basis. *Serving Walla Walla County with 8 hours volunteered in 2022.*

Sabrina Mills, Family Associate – **Second Harvest**. Volunteered to sort and package food to deliver to Low-to-Moderate-Income families and individuals. Second Harvest is a nonprofit that supplies a network of partner food banks, meal sites and other programs feeding people in need. *Serving Benton & Franklin Counties with 2 hours volunteered in 2022.*

Stephanie Rubin, AVP Private Banker – **Blue Mountain Action Council (BMAC)**. Volunteered to help pack food boxes for those in our Communities that utilize services with BMAC. BMAC is a local nonprofit serving neighbors in Southeast Washington who are experiencing poverty. They provide opportunities for individuals and families to achieve greater levels of strength, independence, and self-sufficiency. *Serving Walla Walla County with 10 hours volunteered in 2022.*

Susie Colombo, VP Family Advisor – **Blue Mountain Health Cooperative**. Helped with networking and fundraising. Blue Mountain Health Cooperative offers accessible mental health services to the community while creating an innovative learning environment for future providers. They create a healthier community through quality and affordable by-donation basis mental health care. *Serving Walla Walla County with 3 hours volunteered in 2022.*

Travis Wittnebel, AVP Business Advisor – **The Kid's Place**. Serve as the Treasurer on the Board of Directors. The Kid's Place is a non-profit childcare center offering a sliding scale for tuition based on the parents income. The Kids' Place works to increase access to high-quality early childhood education that transforms the lives of young children through play in partnership with families and teachers. *Serving Walla Walla County with 50 hours volunteered in 2022.*

Travis Wittnebel, AVP Business Advisor – **Camp Fire – Walla Walla**. Serve as the Treasurer on the Board of Directors. Camp Fire Walla Walla is a community based nonprofit organization with a mission to build caring and confident youth and future leaders. We provide quality out-of-school programming that fosters growth within the children of our community. In our After School Camp and Super Summer in the Park programs, we focus on helping children to learn, grow, explore, create, build friendships, and have fun. *Serving Walla Walla County with 80 hours volunteered in 2022.*

Yesi Lemus, Lead Universal Banker – **Mercy Corps Northwest**. Helped to assist during a local workshop and answer questions the participants had. Mercy Corps Northwest helps others learn more about their credit, create an improvement plan, and have better access to funding. From Portland to Seattle we offer credit workshops to help you get on the path to a better credit history. Once a class is completed, participants will also become eligible for a Credit Builder Loan. *Serving Walla Walla County with 1 hours volunteered in 2022.*

Other Community Services

Jessica Long, VP Executive Project Manager & Senior Executive Assistant – **Boy Scout Troop #305**. The mission of the Boy Scouts of America is to prepare young people to make ethical and moral choices over their lifetimes by instilling in them the values of the Scout Oath and Law. Helped to assist with Boy Scout meetings as an advanced coordinator by helping to teach youth to confront any challenge with whole hearts and clear minds – to live their lives without regret, never back down, and do their very best! *Serving Walla Walla County with 24.0 hours volunteered in 2022.*

Jessica Long, VP Executive Project Manager & Senior Executive Assistant – **Cub Scout Troop #336**. Cub Scouts is for boys and girls, kindergarten to 5th grade. Serve as Den Leader to help youth develop the foundations for leadership, citizenship, and personal fitness through fun activities. Cub Scouting activities are designed for Scouting families to get in on the fun, and include exploring the outdoors, building projects, making friends, and developing a lifelong love of learning as Cub Scouts earn patches related to their grades. *Serving Walla Walla County with 24.0 hours volunteered in 2022.*

Lacey Braswell, VP Properties Manager & Executive Assistant – **BPO Elks Lodge #287**. Serves on the District Scholarship Committee, member of the Washington State Elks Association State Chairman for the Elks National Foundation. Train other lodges and members about how the Foundation works and assist in carrying out the functions of the Foundation. The Elks invest in their communities through programs that help children grow up healthy and drug-free, meet the needs of today's Veteran's, and improve the quality of life. To inculcate the principles of Charity, Justice, Brotherly Love and Fidelity; to recognize a belief in God; to promote welfare and enhance the happiness of its Members; to quicken the spirit of American patriotism; to cultivate good friendship; to perpetuate itself as a fraternal organization, and to provide for its government, the Benevolent and Protective Order of Elks of the United States of America will serve the people and communities through benevolent programs, demonstrating that Elks Care and Elks Share. *Serving Walla Walla County with 90 hours volunteered in 2022.*

Lora Linn, Assistant Director of Retail Banking – **Horizon Projects Inc.** Served on the Board for Horizon Project which is a 501c3 Non-Profit that partners with Umatilla County, the State of Oregon, and the Federal Government to provide community-based care for individuals with intellectual and developmental disabilities. *Serving Umatilla County (out of CRA Assessment Area – closed Milton-Freewater Branch June 18, 2022) with 5.0 hours volunteered in 3rd quarter 2022.*

Matt West, VP Solutions Architecture Manager – **Angel MedFlights**. Use my private plane and skills/certification as an instrument rated pilot to help those who need medical care and transportation. At Angel MedFlight, our mission revolves around our patients. We are guided by the needs of our patients and our patients' families. We put our heart and soul into everything we do to transport our patients quickly and safely to the care they require. It is our goal to deliver excellence in air medical services to every patient, with every encounter, at every stage of the process, every time. The patient is and will always be our priority. *Serving Benton and Franklin Counties with 8.0 hours volunteered in 2022.*

Michelle Thacker, VP Cash Management Services Manager – **Walla Walla Choral Society**. Sang Christmas Carols as part of the Walla Walla Choral Society at the VA Veteran's Home Facility located on the campus of the Walla Walla VA Hospital. *Serving Walla Walla County with 1.5 hours volunteered in 2022.*

Mitch Roach, VP Business Banking Advisor – **Tri-Cities Sunrise Rotary Scholarship Golf Tournament**. Proceeds from the golf tournament provide scholarships in Walla Walla, Benton, and Franklin Counties. The scholarships are geared towards a larger audience as they are not limited to the top academic students, but rather those with good grades that have been involved in extracurricular activities and done volunteer work within their communities. We later celebrate the scholarship recipients at a morning meeting specifically for that purpose and have them invite their parents and a key person from their school that helped them be successful. *Serving Walla Walla, Benton, and Franklin Counties 35.0 hours volunteered in 2022.*

Susie Colombo, VP Family Advisor – **Blue Zones Project**. Sits on the Steering Committee for the Blue Zones Project and volunteer at community events. Blue Zones Project is a community-wide, evidence-based approach to improving health and well-being that makes healthier choices easier for everyone living in Walla Walla Valley by engaging people in activities that change mindsets and habits in lasting ways, ultimately transforming the places they live, work, learn, and play. *Serving Walla Walla County 2 hours volunteered in 2022.*

ACCOUNT ACCESS

Your Baker Boyer accounts come with the following features for ease of access and to keep you in control of your finances. If you would like more information, our Personal Bankers are available to talk with you about your financial goals.

ATM Card

Available for Checking and Savings accounts. For use at ATM machines only. Not used as a debit card.

VISA Chip Debit Card

Access your funds anytime, from anywhere. Baker Boyer Visa Debit Cards come with built-in chip technology for enhanced security, giving you greater fraud protection when you use your card at a chip-activated terminal.

ATM Deposits

Deposit cash and checks at any Baker Boyer ATM.

Online Banking

Access your accounts anytime with realtime updates and information. With Online Banking you can: check your balance, view account history, pay your bills, make transfers, and more.

Online Bill Pay

Pay your bills at your convenience or set up auto payments. Accessed through Online Banking.

E-Statements

View current and previous monthly account statements through Online Banking.

Remote Deposit

Scan checks remotely and transmit the check images to Baker Boyer for deposit. Available for Business accounts only.

24 Hour Phone Banking

Access your accounts by phone 24 hours a day. Check your balance, transfer funds, verify a credit or debit, or make a Baker Boyer loan payment. Available in Spanish. Call 509-522-2262 or 800-583-2265.

Text Banking

Available with Online Banking, Text Banking is a quick option that gives you access to your account history and balance with any text enabled phone.

Mobile Banking App

Access Online Banking using your mobile device. Available for iPhone and Android. With the app you can: check your balance, view account history, pay your bills, make transfers and more.

Mobile Deposit

Deposit checks from your mobile device using our Mobile Banking App. Must be setup with both Online Banking and Mobile Banking.

Direct Deposit

Your regular deposits can be setup to automatically deposit into your account. i.e. payroll checks, retirement disbursements, social security checks, and others.

Savings Overdraft Sweep*

Protects your checking account from being overdrawn. Overdraft sweep will transfer available funds from your savings account into your checking account in the event your checking account does not have sufficient funds to cover a transaction.

**Fees may apply.*



STATEMENT OF FEES

Any fees changed are effective 05/01/2021. Some fees may be subject to change without prior notice.

ACCOUNT & OTHER SERVICE FEES

Account Reconciling	\$50 per hour
ACH Auto Transfer Fee	\$5/transfer
ATM PIN Reset	no charge
ATM PIN Reset, Rush Request	\$60
ATM Transaction Fee	no Baker Boyer imposed fee
ATM/Debit Card Replacement Request	\$15
ATM/Debit Card Replacement Request, Rush	\$60
Bill Pay (business & personal)	no charge
Bill Pay (additional features for small businesses):	
Employee Deposits	\$9.95/mo
Bond or Coupon Redemption	\$10 per envelope + postage
Cashier's Checks	\$10
Check Printing	varies
Collections, Incoming & Outgoing, Domestic	\$20
Collections, Incoming & Outgoing, Foreign	\$35
Copy of Check/Activity Statement	\$5
Counter Checks (three per sheet)	\$3
Deposited Items Returned	\$6
Dormant Account Fee	\$5 per month
Early Account Closing (within 60 days)	\$25
Fax, Incoming or Outgoing	\$3 first page, \$1 thereafter
Foreign Currency (Buy or Sell)	\$20**
Foreign Draft Order	\$30
Garnishments/Levies	\$10
Image Checks Returned with Statements	no charge
Loose Coin Processing (Non-Customer)	15% of total
Night Depository, Key Replacement	\$30
Night Depository, Zipper Bag with Lock	\$20
Night Depository, Zipper Bag without Lock	\$10
Overdraft Item Paid/Returned	\$35
Maximum Daily Fee for overdrafts on Personal Accounts	\$140
Notary Service	no charge
Overdraft Sweep Transfer from Deposit Acct (per day)	\$5

ACCOUNT & OTHER SERVICE FEES (continued)

Personal Check Cashing, Non-Customer	\$25
Research	\$50 per hour
Returned /Undeliverable Statement	\$5
Statement Replacement	\$5 each

**Other fees may apply

Stop Payment / Alert Request	\$35
VISA Debit Card Int'l Transaction	1% of converted amount
Wire Transfers, Incoming	\$15
Wire Transfers, Outgoing (Domestic)	\$25
Wire Transfers, Outgoing (International)	\$70

OTHER ACCOUNT FEES FOR ANALYZED BUSINESS ACCOUNTS

Box Currency/Coin Wrappers	\$2.50 per box
Checks Paid	\$0.12
Currency Purchased/Deposited	\$0.05 (per \$100)
Deposited Items Returned	\$6
Deposits Posted	\$0.15
Fax Notification	\$3
Monthly Maintenance Fee	\$14
On-Us Items Deposited	\$0.10
Rolled Coin Purchased/Deposited	\$0.06 (per roll)
Special Statement Cutoff	\$2
Sweep Setup from Loan or Repurchase	\$10
Transit Items Deposited	\$0.10

SAFE DEPOSIT BOX RENTAL FEES

Size listed indicates height and width. Length for all boxes is 18". Fees are annual.

3" x 5"	\$25
5" x 5"	\$40
3" x 10.5"	\$50
5.5" x 10.5"	\$75
10" x 10"	\$120
11" x 10.5"	\$120
Lost Key	\$25
Drilling Fee	cost
Late Fee (over 60 days)	\$5 per month



PERSONAL ACCOUNTS

CHECKING ACCOUNTS	eSolutions	Regular	Merit (62+ years)	Interest	Money Market Gold
Opening Balance	\$100	\$100	\$100	\$5,000	\$5,000
Service Charge	No Monthly Service Charge After 3, 50¢ per check \$6 monthly fee for paper statements*	\$12 monthly service charge, waived with minimum daily balance of \$750	\$5 monthly service charge, waived with minimum daily balance of \$100	\$12 monthly service charge, waived with minimum daily balance of \$5,000	\$15 monthly service charge, waived with minimum daily balance of \$5,000
Other Account Fees	No Baker Boyer imposed fee for debit card & ATM transactions.				
Interest	N/A	N/A	N/A	Interest is earned daily & paid monthly on collected balance, if greater than \$5,000.	Interest is earned daily and paid monthly on collected balance. Rates are subject to change daily. Interest based on current ledger balance tiers.***

*There is a \$6 monthly service fee for eSolutions customers who choose paper statements. There is no charge for electronic statements which are available through Online Banking.

SAVINGS ACCOUNTS	Regular	Minor (under age 21)	Merit (62+ years)
Opening Balance	\$100	\$25	\$100
Service Charge	\$5 monthly service charge, waived with minimum daily balance of \$400	\$5 monthly service charge, waived with minimum daily balance of \$25	\$5 monthly service charge, waived with minimum daily balance of \$100
Other Account Fees	No Baker Boyer imposed fee for ATM transactions.		
Interest	Interest is earned daily and paid quarterly on collected balance, if greater than \$400.	Interest is earned daily and paid quarterly on collected balance, if greater than \$25.	Interest is earned daily and paid quarterly on collected balance, if greater than \$100.

We reserve the right to not pay accrued interest if account is closed prior to payment date.

***Interest Balance Tiers

\$0 to \$24,999.99
 \$25,000.00 to \$49,999.99
 \$50,000.00 to \$99,999.99
 \$100,000.00 to \$249,999.99
 \$250,000.00 and over

All fees are accurate as of 01/01/2021 and are subject to change without prior notice. Also, please reference Baker Boyer's Statement of Fees.

Updated 09/2022



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 BAKERBOYER.COM
 MEMBER FDIC | EQUAL HOUSING LENDER



PERSONAL LOANS & SERVICES

Because we're an independent, community bank, you can take advantage of our ability to offer specialized loan products that are modified to suit your purpose. The basic types of personal loans we offer are outlined here, but we encourage you to talk with a bank representative when considering a loan. It's likely we can find a way to get you the funds you need. You also benefit from local decision making, which means faster approval and processing. Plus, your questions and special requests for copies of documents or account information can be directed to a bank representative via a local phone call or a quick visit when you drop by your branch.

Personal Loans

Sometimes life offers unexpected opportunities. A chance to go back to school or the chance to finally purchase the perfect antique kitchen table and chairs. At other times, life can give us unexpected bills to pay—from medical bills to auto repairs. No matter what your reason or need, a personal loan may be just the financial tool you need. There's no need for collateral, and the rates are better than those on most credit cards.

Debt Consolidation

This personal loan helps you to package all, or most, of your debt. If you are currently making payments on a couple of credit cards, a car loan, and various other revolving accounts, you may be paying too much in interest. Most revolving accounts charge from 18% to 21% interest and other types of loans may charge as much as 28% interest. By consolidating some or all of these loans and accounts into one personal loan, you could increase disposable income—because you would make one affordable monthly payment rather than several—and you may pay less in interest costs.

Ready Credit

Using your Ready Credit is as easy as writing a check. It's your personal line of credit that complements your checking account. It's a form of overdraft protection, as well as being available for unexpected needs or opportunities. And the rate and fee are better than those of most credit cards.

Auto Loans

Whether you're in the market for a new or used car, our flexible auto loans may be just what you need. Often times, the interest rate is lower than it would be when getting a loan directly from a dealer. Our advisors can help you determine the value of your trade-in and can also pre-approve your loan prior to your actual purchase.

Recreational Vehicle Loans

From boats to campers, jet skis to snowmobiles, and motorcycles to 4-wheelers, we have a loan to help purchase that vehicle you can't live without. You'll find that our interest rate may be lower than what a dealer will offer you and we have various repayment terms.



HEALTH SAVINGS ACCOUNTS

Health Savings Accounts (HSAs) allow you to pay for current health expenses and save for future medical expenses on a tax-free basis. HSAs are established as Money Market Savings account types.

Baker Boyer Bank Fees:

- Data Processing/Establishment Fee of \$25 and \$2 per month service charge.
- Minimum Opening Balance -\$100.

Additional Fees Include:

- Excess Contribution Fee (per occurrence)-\$20
- Mistaken Distribution Fee (per occurrence for amounts over \$50)-\$20
- Tax-Correction Fee (non-bank error)-\$50
- Transfer to Other Bank Fee-\$20

Note: Baker Boyer will generally return an item overdrawing an HSA, as this account type requires available funds for use. Exceptions will be handled on a case-by-case basis.

Client Responsibility - Keep track of IRS guidelines for qualified medical expenses, the balance in the HSA, contribution limits, and distributions completed.

Employer Responsibility - Employers who make contributions to HSAs on behalf of employees are responsible for monitoring contributions, satisfying comparability rules, determining whether employer contributions will be forwarded to one or more financial organizations, and reporting employer contributions to employees and the IRS.

Financial Institution Responsibility

- For individuals under age 55, financial organizations must not accept annual contributions that exceed the maximum contribution amount in effect for the year (\$6,900 for 2018 and \$7,000 for 2019)
- For individuals who attain age 55 by the end of the calendar year, financial organizations must not accept annual contributions that exceed the maximum contribution amount in effect for the year, plus the catch-up contribution dollar amount (\$7,900 for 2018 and \$8,000 for 2019)
- Report to the client and IRS: 1099-SA-HSA Distributions, 5498-SA-HSA Contributions or Rollovers, Fair Market Value Statement-Reports end-of-year balance and includes all reportable contributions and distributions ***The FMV Statement is not an IRS requirement, but rather an extra service Baker Boyer Bank provides for HSA clients.***

Contribution limits depend on Self or Family Coverage

- 2022-Self-Only \$3,650 w/ Catch-up of \$1,000 (Age 55+)= \$4,650 and Family \$7,300 w/ Catch-up of \$1,000 (Age 55+)= \$8,300
- 2023-Self-Only \$3,850 w/ Catch-up of \$1,000 (Age 55+)= \$4,850 and Family \$7,750 w/ Catch-up of \$1,000 (Age 55+)= \$8,750

Interest Earnings- Interest is earned daily and paid monthly on collected balance. Rates are subject to change daily. Interest based on current ledger balance tiers.

\$0 to \$24,999.99 | \$25,000.00 to \$49,999.99 | \$50,000.00 to \$99,999.99 | \$100,000.00 to \$249,999.99 | \$250,000.00 and over

Employers and Employees Making Contributions

- Any HSA contributions, other than current year, require special handling by a bank employee to ensure the transaction is reported appropriately.
- All HSA contributions completed using Online Banking report as current year only.
- Any medical reimbursements received that were originally paid using HSA funds must be handled by a bank employee to ensure correct reporting.

IRS Info

- IRS Publication 969-Health Savings Accounts and Other Tax-Favored Health Plans
- IRS Publication 502-Dental and Medical Expenses, the instructions to IRS Form 8889, and the IRS's website www.irs.gov

Updated 5/2021



HOME LOANS & SERVICES

Whether you're building a home, buying a home, or refinancing an existing mortgage, we've got a home loan product that can help you accomplish your goal. As an independent, community bank, our decisions and servicing are done locally—which means that in addition to faster approval and processing you work directly with the people you need to find solutions. At Baker Boyer, we offer a variety of home loan services and the ability to modify products to suit your individual needs. Please talk to any bank representative about your plans so we can provide the information you need to make the choice that's best for you.

Home Loans

Whether you're buying your first home or building a new one, a house represents a huge investment. That's why we take extra care to provide you with information and advice, as well as options that meet your financial goals. We'll help you determine a price range that keeps your payments where you want them, and you can choose from various repayment terms and a fixed or variable interest rate. The following page contains our 12-point checklist that can help you prepare for application requirements.

FHA & VA Loans

If you're a veteran or a first time home buyer, our FHA or VA loan products may be right for you. These loans offer flexibility and low minimum payments. For those who might not qualify for conventional home loans, FHA and VA loans are great alternatives.

Home Equity Loans

If you have established equity in your home—and you probably have if you've owned your home three or more years—a home equity loan can help provide the cash you need for other purposes. Borrow up to 80% of the value of your home and use the funds for anything you wish. With various repayment terms and potential tax advantages, this loan could be just what you need.

Home Equity Line of Credit

Whether you have a specific need, project, or purchase, or you simply want the comfort of knowing you have access to extra cash, a home equity line of credit is a great choice. As a revolving line of credit, it's there whenever you need it. Interest is only accrued on the amount of money you actually use, and that interest may even be tax deductible (consult your tax advisor). Approval time is fast—usually in one day—and access is easy, either by Home Equity check, telephone request, request by mail, or in person. You can also transfer funds using 24 Hour Phone Banking or Online Banking.

Refinancing

Although this loan is basically the same as a conventional home loan, it can be a valuable tool for accomplishing your goals. Whether you wish to take advantage of better interest rates, or you want to move your loan from another financial institution, we can help. With flexible terms and your choice of variable or fixed interest rate, we've got the options you need.

Construction Loans

When building a new home for your family, Baker Boyer is a great place to start. You can work directly with a loan officer who has experience in construction and can assist you all the way—from the initial planning stage to completion of your project. Once complete, we will work on updating your file for the end and final amortizing loan.



HOME LOANS & SERVICES

Modular Homes & Land Loans

We can develop a loan package that covers everything from the purchase of land for your manufactured home, to site preparations like car port, foundation, and digging a well. From the purchase of your home, to final setup, we're with you all the way. Choose from various repayment terms. Most of our loans remain right here, which makes adjustments and servicing convenient for the life of your loan.

Escrow Services

Escrow accounts provide a safeguard in the administration of private contracts between a buyer and seller. Whether you're the buyer or seller, if you're involved in a private sale contract, our Escrow staff can be a valuable partner. Our services are designed to help your transaction go smoothly and to provide complete, timely, and accurate records.

Application Checklist

To expedite processing, bring the following information with you when you apply for your home loan:

- Accepted purchase and sale agreement with any amendments or counteroffers signed by all parties.
- Names and addresses of all employers for the previous two years.
- Annual gross salary, last year's Form W-2, and most recent payroll voucher.
- If self-employed, copies of your federal income tax return for the previous two years. If employed by your own corporation, copies of its returns for the previous two years and a year-to-date profit-and-loss statement.
- If you choose to use your Social Security, disability, or pension income, bring a copy of a check or award certificate from the issuing agency.
- Names and addresses of banks or credit unions in which you have accounts, including account numbers and balances.
- List of all stocks, bond, certificates of deposit, and all other securities showing current market value, recent monthly and/or quarterly statements, account numbers, etc.
- Life insurance: list issuing company's name and policy number showing face amount and cash value less outstanding loans (if being used for down payment).
- Real estate owned: list address, current market value, original loan amount, and current balance owing for any real estate owned, with the account number for each property. Provide same information for previously owned and paid off real estate, to verify net proceeds on sale of property.
- Complete list of all obligations including installment loans, student loans, department store balances, and credit card balances.
- If you have been a party of any legal proceeding, be prepared to provide a copy of any documents showing evidence of your rights to additional income or obligation of additional payments resulting from the action.
- If you have had any credit concerns (e.g. bankruptcy, foreclosures, repossessions), be prepared to provide a copy of any documents showing the outcome of the proceedings.

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BUSINESS FINANCING

LINES OF CREDIT

Manage your cash flow more effectively with a line of credit that you can access instantly. Our rates are very attractive and, in many cases, your line is available to pay down and use again as you need to.

COMMERCIAL REAL ESTATE CONSTRUCTION LOANS

Our Business Advisors will work side by side to help you complete your construction with a loan program that meets your needs. We also offer term options with monthly payments that work for you. Let us help you get your next project off the ground.

COMMERCIAL REAL ESTATE LOANS

We're experts in the commercial real estate area, and that means we'll put the most prudent package together for you, taking into consideration your entire financial picture. Whether you're purchasing, refinancing, or doing a land development project, our monthly payment plans are cash flow friendly.

AGRICULTURAL LOANS

We provide farmers the flexibility to borrow what they need, when they need it. Payments are usually made annually, as opposed to monthly terms that fit best into a farmer's financial picture.

TERM LOANS: EQUIPMENT PURCHASE AND BUSINESS EXPANSION

Finance that new truck, computer system, company vehicle, or business expansion and replenish your cash flow. Whether your expansion includes brick and mortar, new technology, or supporting new markets, bring your business plan to us and we'll show you how we can help grow your legacy.



BUSINESS ACCOUNTS

CHECKING ACCOUNTS	eSolutions	First Step Business	Business Account Analysis**	Interest Business
Opening Balance	\$100	\$100	\$100	\$5,000
Service Charge	No Monthly Service Charge After 3, 50¢ per check \$6 monthly fee for paper statements*	\$12 monthly service charge, waived with minimum daily balance of \$2,500	monthly service charge based on account analysis, starting with \$14 base monthly service charge	\$15 monthly service charge, waived with minimum daily balance of \$5,000
Other Account Fees	No Baker Boyer imposed fee for debit card & ATM transactions.	50¢ per posted check (in excess of 25); 30¢ per deposited item (in excess of 50)	see above	50¢ per posted check (in excess of 25); 30¢ per deposited item (in excess of 50)
Interest	N/A	N/A	N/A	Interest is earned daily & paid monthly on collected balance, if greater than \$5,000.

*There is a \$6 monthly service fee for eSolutions customers who choose paper statements. There is no charge for electronic statements which are available through Online Banking.

SAVINGS ACCOUNTS	Business Savings	Business Money Market Gold
Opening Balance	\$100	\$5,000
Service Charge	\$5 monthly service charge, waived with minimum daily balance of \$400	\$15 monthly service charge, waived with minimum daily balance of \$5,000
Other Account Fees	No Baker Boyer imposed fee for ATM transactions.	
Interest	Interest is earned daily and paid quarterly on collected balance, if greater than \$400.	Interest is earned daily and paid monthly on collected balance. Rates are subject to change daily. Interest based on current ledger balance tiers.****

**Analyzed Account

Earnings Credit—All collected funds in your Business Checking account earn a credit which is used to reduce your monthly service charge. This credit is derived by applying earnings credit to your daily collected balance after a 15% reserve requirement has been deducted. This earning rate is the same as the monthly average of the discounted 90-day Treasury Bill rate and is subject to change on the last day of each month.

Uncollected Funds—If checking withdrawals are made faster than incoming checks are collected, you are in effect using bank funds. For this service, a fee is assessed for uncollected funds using the monthly average of the 90-day Treasury Bill rate plus 4%. This rate is subject to change on the last business day of each month. When your charges exceed the earnings credit, the amount results in a service charge being applied.

We reserve the right to not pay accrued interest if account is closed prior to payment date.

****Interest Balance Tiers

\$0 to \$24,999.99
 \$25,000.00 to \$49,999.99
 \$50,000.00 to \$99,999.99
 \$100,000.00 to \$249,999.99
 \$250,000.00 and over

All fees are accurate as of 01/01/2021 and are subject to change without prior notice. Also, please reference Baker Boyer's Statement of Fees.

Updated 01/2021



(509) 525-2000 | (800) 234-7923
 WWW.BAKERBOYER.COM
 MEMBER FDIC | EQUAL HOUSING LENDER



EXECUTIVE ACCOUNT

An account to reward our valued clients...

The Baker Boyer Executive Account is designed expressly for the personal needs of business owners and members of their senior employee team, as well as D.S. Baker Advisors clients. With preferred features, it provides account holders with interest on balances over \$1,000, two NSF fees waived annually, no minimum balance or domestic ATM fees, and a personal line of credit at New York Prime.

Executive Checking

- No minimum balance or service charges
- Interest earned on collected balances of \$1,000 or more daily
- Free checks as long as you continue to qualify for this account
- Preferred Courtesy Overdraft limit of \$1,000
- No-fee Executive Ready Credit* at New York Prime
- 2 NSF fees refunded annually
- Executive Account Visa® Debit Card
 - No monthly or annual card fees
 - Baker Boyer Bank will pay all fees charged at any ATM in the U.S.
 - Special Minimum Limits: ATM \$1,000 and POS \$5,000
- Free Online Banking and Bill Pay
- Free eStatements online – includes checking activity and check images
- Free Cashier's Checks

Executive Personal Loans

- One time credit of \$500 applied to primary or secondary residence mortgage fees
- Executive Personal Line of Credit*
 - Rate at New York Prime[†]
 - No annual fees

Qualifications

- Maintain primary business checking account with Baker Boyer
 - Business Loan relationships without business checking do not qualify for Executive Account
- Business Checking (excluding First Step Business Checking) with Business Online Banking Services or standard Online Banking services (i.e. without ACH or wires)*
- Enrollment in Online Banking for your new Executive Checking
- Offered to:
 - Business Owners (up to two senior employee team members), and
 - D.S. Baker Advisors clients.

*credit standards apply

[†]variable daily with a floor of 7%

04/15





Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

September 12, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Baker Boyer National Bank

Charter Number 3956

7 West Main Street
Walla Walla, WA 99362

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: Satisfactory.

The community development test is rated: Outstanding.

The major factors that support this rating include:

The Lending Test rating is based on a combination of the Washington (WA), and Oregon (OR) ratings and the following factors:

- Baker Boyer National Bank (BBNB or bank) originated a substantial majority of loans, by number and dollar amount, within their Assessment Areas (AA) during the evaluation period.
- The bank's loan-to-deposit ratio is reasonable considering the size, financial condition, and the credit needs of its community.
- An overall reasonable geographic distribution of business loans.
- An overall reasonable distribution of business loans among businesses of different sizes.

The Community Development (CD) Test rating is based on a combination of the Washington and Oregon ratings and the following factors:

- The bank demonstrated excellent responsiveness to the CD needs within its assessment areas.
- The bank participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) and demonstrated excellent responsiveness to the community need for job preservation resulting from the economic stress caused by the COVID-19 pandemic.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit (LTD) ratio is reasonable. We calculated an LTD ratio of 50.4 percent over the entirety of the evaluation period since our prior August 2019 evaluation. We performed a comparison of BBNB's performance with five peer banks operating in the same regions of the states of WA and OR. Each comparable bank operates in at least one of BBNB's AAs. The comparable banks range from approximately \$500 million to \$2.0 billion in assets. Two of the banks are smaller than BBNB, and three of the banks are larger. The average LTD for the peer institutions was 59.5 percent during the assessment period. While BBNB's average LTD is slightly lower than the average LTD ratio among its peer institutions, it significantly surpasses the low LTD ratios among its peer institutions which is only 36.4 percent. As such, the LTD ratio supports a reasonable level of lending.

Lending in Assessment Area

A substantial majority of BBNB's loans are inside its assessment areas.

The bank originated and purchased 96.6 percent of its commercial loans inside the bank's AAs during the evaluation period based on of our loan sample. 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. The table below shows the bank's lending volume by year inside and outside its AAs for commercial lending.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Commercial	58	96.6	2	3.3	60	15,519	97.8	345	2.2	15,864
Total	58	96.6	2	3.3	60	15,519	97.8	345	2.2	15,864
Source: Bank Data Due to rounding, totals may not equal 100.0%										

Description of Institution

Baker Boyer National Bank is a federally chartered National Bank headquartered in Walla Walla, WA. The bank first opened in 1869 and is currently the oldest bank in the state of Washington. The bank received a national charter in 1889. Through December 31, 2021, the bank operated seven branches within the states of WA and OR. The bank is wholly owned by Baker Boyer Bancorp, a one bank holding company also based in Walla Walla, WA.

BBNB has four branch offices in Walla Walla, WA, and one each in Kennewick, and Yakima, WA and Milton-Freewater, OR. Management and the board have designated four separate AAs consisting of 122 census tracts (CTs). Within the state of Washington, BBNB has three AAs which are Walla Walla, Benton-Franklin, and Yakima. As of December 31, 2021, AAs in Washington consisted of 2 low-income CTs, 29 moderate-income CTs, 43 middle-income CTs, and 30 upper-income CTs. In Oregon, the bank's sole AA is Umatilla, which has 11 middle-income CTs and 4 upper-income CTs.

Each branch offers similar products and services, while also individually specializing in certain service and products. The main branch located in downtown Walla Walla offers the whole suite of products including retail, consumer, and commercial deposit and loan products along with trust, investment and family advising via D.S. Baker Advisor services. Both the Yakima and Kennewick branches also offer D.S. Baker Advisor services to go along with their commercial lending offerings. The remaining branches focus on retail banking activities. The bank's primary lending product is business and commercial loans with home mortgage lending also being a significant focus. Business loan types include commercial real estate, commercial and industrial, agricultural, and construction and land development loans. Lending products offered to individuals include fixed and variable rate home mortgage loans, personal loans, home equity lines of credit, auto, debt consolidation and land and construction loans. The bank's suite of deposit products includes checking accounts, savings accounts, certificates of deposit, and health savings accounts.

Other banking products and services include Automated Teller Machines (ATMs), night depositories, and drive-thru banking. Hours of operation vary depending on branch location. Walla Walla branches

are open typically 9:00AM to 5:30PM with extended afternoon hours on Fridays. The only exception is the Wheatland branch which is by appointment only. Both the Kennewick and Yakima branches operate until 4:00pm but open at 11:00am and 9:00am respectively. Branch services and operations remained available during the pandemic with customers utilizing drive-thru services or branch appointments due to state-mandated operating restrictions. Additional services are offered via telephone banking, text banking, the mobile banking app, as well as through online banking.

As of December 31, 2021, BBNB reported \$813 million in total assets and \$59.6 million in tier 1 capital. The bank's primary lending focus is on business loans (commercial and industrial and commercial real estate) and residential real estate loans. Commercial loan originations totaled 1,110 loans for \$299.0 million during the review period. This amount represents a majority of loans by number at 57.6 percent, and by dollar volume at 60.2 percent. Residential loans are the secondary product with 539 loans originated for \$139.3 million. Secondary products include agriculture and farmland loans as well as a small volume of consumer loans. Based on this lending data we selected business loans as the sole primary product for this review.

Loan Portfolio Originations January 1, 2019 to December 31, 2021				
Loan Type	# of Loans	% of #	Amount (\$000s)	% of \$
Business Loans	1,110	57.6%	\$299,092	60.2%
Home Loans	539	28.0%	\$139,340	28.1%
Agriculture/Farmland	114	5.9%	\$52,003	10.5%
Consumer	165	8.6%	\$6,214	1.3%
Totals	1,928	100.0%	\$496,649	100.0%

Source: Bank Records. May not sum to 100% due to rounding.

The bank did not engage in any merger or acquisition activities during the evaluation period. BBNB does not have any financial or legal impediments that prevent it from meeting the credit needs of the AAs. BBNB's prior Community Reinvestment Act (CRA) Performance Evaluation dated August 5, 2019, resulted in a "Satisfactory" rating.

Innovative and/or Flexible Lending Products

To support customers during COVID-19, the bank offered both retail and commercial customers a payment deferral option. Through these programs, principal and interest payments were deferred until the final payment of the loan. At the height of the pandemic the bank had 126 loans totaling \$33.4 million under these modified terms. This included 102 commercial loans totaling \$30 million and 24 consumer loans totaling \$3.4 million.

Management also participated in the SBA's PPP. 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. In total, management originated \$76 million in loans through this SBA program during the pandemic. Most PPP loans were forgiven by the SBA, while a small number are still being processed.

Scope of the Evaluation

Evaluation Period/Products Evaluated

BBNB's performance was evaluated under the Intermediate Small Bank Community Reinvestment Act exam 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 areas through its lending activities. The bank offers residential, consumer, agricultural, 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 AAs 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. 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 a blend of the State of Washington and State of Oregon ratings. We placed great emphasis on the State of Washington rating in our overall conclusions as most bank activity occurs within Washington.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), in determining a national bank's 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 Consumer Financial Protection Bureau, 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 Washington

CRA rating for the State of Washington: Outstanding

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- Overall, the bank lent 71.2 percent of their loans to businesses with annual revenues under one million dollars. Meanwhile, peer institutions only lent 48.2 percent of their loans to smaller businesses during the assessment period.
- The total percentage of low-income loans from our sample was 2.7 percent which is above the distribution of 1.4 percent for businesses located in low-income tracts.
- The bank's responsiveness to the needs of its communities through CD activities is excellent.

Description of Institution's Operations in Washington

Three of BBNB's four AAs are in the state of Washington. The bank's headquarters, and most of its operations are located within the Walla Walla AA, which consists of the entirety of Walla Walla County. Walla Walla County is one of two counties that comprise the Walla Walla, WA MSA. The bank maintains four branches in Walla Walla. The remaining AAs in Washington are the Yakima AA and the Franklin-Benton AA. The Yakima AA consists of Yakima County, which is the sole county comprising the Yakima MSA. The Franklin-Benton AA consists of Franklin and Benton Counties, which compose the entirety of the Kennewick-Richland MSA. The bank operates one branch in the city of Yakima, and one branch in Kennewick within Benton County. ATM access is provided at the main office, along with the Eastgate and Plaza branches in Walla Walla.

Walla Walla

The Walla Walla AA is in southeast Washington and is bordered to the north by Franklin County, to the west by Benton County, and to the east by Columbia County. The county's southern boundary forms part of the Washington-Oregon border, which is adjacent to the Umatilla AA in Oregon.

Moody's Analytics indicate that the Walla Walla AA has seen steady economic recovery since mid-2020. The unemployment rate continues to improve and is below the pre-pandemic low. The unemployment rate was 4.9 percent in 2019 increasing to 6.9 percent in 2020, primarily due to the impacts of the pandemic. However, with help from a strong manufacturing industry, the unemployment rate for 2021 was 4.3 percent. Walla Walla's manufacturing industry is a strong performer and payrolls are elevated. A strong labor market has translated into rapidly increasing house prices, with home values above the national average. The economic forecast is that Walla Walla's economic performance will be average in the short-term. This is driven primarily by the strong demand for Walla Walla's food products and an emerging tourist industry being offset by increasing manufacturing costs and weaknesses in the education and healthcare sectors. Low population growth, a limited labor pool, and a

lack of high value-added service industries are projected to result in only a moderate long-term growth rate for the area.

Walla Walla's top three industries, by employment, are education and health services at 23.2 percent of total employment, government at 22.4 percent of total employment, and manufacturing at 15.0 percent of total employment. Over 60 percent of Walla Walla's workforce is employed in these sectors. Tourism and wine production are also important to the local economy. However, during the evaluation period, the median household income dropped from \$61,300 in 2019 to \$59,800 in 2021. This is driven primarily by a slowdown in manufacturing growth, due to higher production costs. In general, salaries are lower in the Walla Walla AA than in the rest of the state of Washington, across all sectors.

The Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, as of June 30, 2021, shows that eight commercial banks operate in Walla Walla County. Banner Bank and BBNB hold 75.6 percent of the total deposit market share, with Banner Bank holding 40.4 percent and BBNB holding 35.2 percent. All other banks in the AA hold less than 10 percent of market share each.

To gather additional information and to gain perspective on the local community, we contacted a representative from a community-based organization that supports affordable housing initiatives in Walla Walla. The community contact indicated that the area was not overly impacted during the pandemic and that restaurants and small businesses are doing well, supported by strong tourism and wine production in the region. Although the local economy has recovered from the pandemic, residents are feeling the strain of inflation and rising costs of living expenses. The community contact also indicated that there is a need for more affordable housing in the area, but that local banks are reaching out to families in need to offer their services. In general, the community contact felt that the local financial institutions are meeting the needs of the community, but that opportunities to create more affordable housing do exist.

The following table provides key demographic information for the Walla Walla AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2019-2021 Walla Walla AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	8.3	8.3	66.7	8.3	8.3
Population by Geography	59,726	4.9	9.1	66.6	14.6	4.8
Housing Units by Geography	23,768	4.4	11.0	69.7	14.9	0.0
Owner-Occupied Units by Geography	13,944	3.7	9.0	66.2	21.0	0.0
Occupied Rental Units by Geography	7,752	5.6	14.2	75.1	5.2	0.0
Vacant Units by Geography	2,072	4.5	12.6	72.9	10.0	0.0
Businesses by Geography	4,862	5.6	16.2	62.1	16.0	0.1
Farms by Geography	446	2.0	7.2	75.3	15.5	0.0
Family Distribution by Income Level	13,688	22.1	15.1	22.2	40.6	0.0
Household Distribution by Income Level	21,696	24.1	15.0	17.7	43.2	0.0

Median Family Income MSA - 47460 Walla Walla, WA MSA	\$62,309	Median Housing Value	\$192,318
		Median Gross Rent	\$733
		Families Below Poverty Level	12.3%
<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>			

Benton-Franklin

The Benton-Franklin AA is located in the southern part of Washington. This AA includes the major cities of Kennewick, Pasco, and Richland, or Tri-Cities, which are the third most populous region in Washington. The Benton-Franklin AA is situated between the Walla Walla and Yakima AAs and centered on the Columbia River.

Moody's Analytics indicates the Benton-Franklin AA's labor market is still recovering, with unemployment now below pre-pandemic levels. Waste management and remediation service industries related to Hanford plutonium cleanup keep adding jobs. Retail activity in the area has been strong recently and exceeded statewide averages. The unemployment rate is now approaching its 30-year low at 5.3 percent. The unemployment rate in 2019 was 5.6 percent, while in 2020 the unemployment rate was 8.4 percent, largely due to the impacts of the pandemic. Housing prices have increased year-over-year while the median household salary decreased slightly. In 2019, the median household income was \$68,300, in 2020 it was \$67,200 and in 2021 it was \$67,500. Farms and factories and related manufacturing industries are facing smaller harvests and increased production costs, but this is offset by strong demand and commodity prices. Apple and grape producers, two of Benton-Franklin's largest farm products, face labor supply issues and challenging growing conditions. Below average supply has led to significant price increases for both crops, thereby increasing revenues.

The major industries in the AA include professional and business services employing 18.5 percent of the workforce, education and health services at 15.8 percent, government at 15.6 percent, and retail trade which employs 11.9 percent of the total workforce. The top employers in the area include the Hanford site with 11 thousand employees, Battelle/Pacific Northwest National Laboratory which employs 4,700, and Kadlec Regional Medical Center which employs 3,600.

The population of Benton-Franklin continues to grow, driving the increase in housing prices. The population in 2019 was 300 thousand, while in 2021 the population was 305 thousand. Rapid growth in the working-age population continues to drive higher rates of household formations, which leads to additional demand for single family residence. In turn, this causes builders to add construction jobs at a faster pace than the rest of the region.

Benton-Franklin's economy is expected to be a national and regional outperformer. The industries of education and healthcare continue to expand, meeting the rising demand for these services. Demand for farm products and extensive activity at Hanford, one of the largest superfund sites in the nation, will keep the area ahead of its peers. Longer term, strong projected population growth will continue to drive and support a growing economy.

The FDIC Deposit Market Share Report, as of June 30, 2021, shows that 17 banks operate in the Benton-Franklin market area. Four banks hold 52.8 percent of the market share with U.S Bank, N.A. holding the largest share at 16.0 percent. Bank of America, N.A. holds 12.9 percent, Community First Bank has 12.0 percent, while Yakima Federal Savings and Loan Association holds 11.9 percent. BBNB ranks 14th amongst all 17 banks with a market share of 1.4 percent.

The following table provides key demographic information for the Benton-Franklin AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2019-2021 Benton-Franklin AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	50	2.0	30.0	32.0	32.0	4.0
Population by Geography	271,373	3.1	32.2	34.8	29.9	0.0
Housing Units by Geography	97,502	3.0	29.9	35.0	32.0	0.0
Owner-Occupied Units by Geography	62,103	1.2	25.1	35.0	38.7	0.0
Occupied Rental Units by Geography	30,052	7.0	39.6	34.5	18.9	0.0
Vacant Units by Geography	5,347	0.7	32.3	39.0	28.0	0.0
Businesses by Geography	20,040	1.2	27.7	36.6	34.2	0.4
Farms by Geography	1,247	0.9	24.7	53.1	21.1	0.2
Family Distribution by Income Level	65,837	21.6	17.6	19.5	41.3	0.0
Household Distribution by Income Level	92,155	23.9	16.1	19.0	41.0	0.0
Median Family Income MSA - 28420 Kennewick-Richland, WA MSA		\$66,500	Median Housing Value			\$179,030
			Median Gross Rent			\$843
			Families Below Poverty Level			12.0%
Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Yakima

Yakima AA is located in central Washington. The AA includes the entirety of Yakima County, including the city of Yakima. The county is bordered on the east by the Benton-Franklin AA, to the south by Klickitat County, to the north by Kittitas County, and to the west by Lewis County.

Moody's Analytics indicates Yakima's economy is transitioning from recovery to expansion. Strong hiring in 2021 has improved employment conditions and led to payroll growth. The unemployment rate is trending lower and has now surpassed pre-pandemic lows. The unemployment rate in 2019 was 7.0 percent, rising to 9.6 percent in 2020, and was only 6.2 percent in 2021. House price appreciation trails that of the statewide average, but remains in line with the national pace, driven primarily by steady buyer demand and a low inventory of homes. Median household incomes are lower than previous years. The median household income in 2019 was \$56,200, \$55,300 in 2020, and \$54,800 in 2021. Agriculture

is the foremost economic driver as farming contributes more than 25.0 percent of Yakima’s economic output, making it one of the most farm-dependent metro areas in the United States.

Yakima’s largest economic sector is education and health services, which employs 21.3 percent of the workforce. Government employs 20.4 percent of workers and retail trade employs 13.4 percent of the workforce. The area’s largest employers are Yakima Valley Memorial Hospital employing 2,500, Walmart Inc, who employs 1,700, and Washington Fruit and Produce who employs 1,500.

The FDIC Deposit Market Share Report, as of June 30, 2021, shows that 15 banks operate in the Yakima AA. Four banks hold 63.3 percent of the market share with U.S. Bank, N.A. holding the largest share at 19.6 percent. Banner Bank holds 17.2 percent, Yakima Federal Savings and Loan Association holds 16.3 percent, and Bank of America, N.A. holds 10.1 percent. BBNB ranks 14th amongst all 15 banks with a market share of 0.50 percent.

The following table provides key demographic information for the Yakima AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2019-2021 Yakima AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	45	0.0	28.9	42.2	28.9	0.0
Population by Geography	247,408	0.0	28.5	42.6	28.9	0.0
Housing Units by Geography	86,208	0.0	23.9	42.3	33.8	0.0
Owner-Occupied Units by Geography	49,969	0.0	17.6	41.2	41.3	0.0
Occupied Rental Units by Geography	30,003	0.0	35.1	45.0	19.9	0.0
Vacant Units by Geography	6,236	0.0	20.0	38.7	41.3	0.0
Businesses by Geography	14,851	0.0	27.0	39.4	33.6	0.0
Farms by Geography	1,271	0.0	8.7	56.0	35.2	0.0
Family Distribution by Income Level	57,541	20.2	18.1	20.6	41.1	0.0
Household Distribution by Income Level	79,972	22.0	17.4	19.5	41.1	0.0
Median Family Income MSA - 49420 Yakima, WA MSA		\$49,907	Median Housing Value			\$154,614
			Median Gross Rent			\$787
			Families Below Poverty Level			16.5%
Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Scope of Evaluation in Washington

We analyzed borrower distribution by borrower income and geographic distribution in all three of BBNB’s assessment areas in Washington. Our assessments incorporated performance context factors such as economic conditions, local competition, the bank’s strategic emphasis on Washington, and the need for essential community development services such as affordable housing, economic development that creates middle-income jobs, and financial education.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON

LENDING TEST

The bank's performance under the Lending Test in Washington is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews of the bank's assessment areas, the bank's lending performance in the state of Washington is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Small Loans to Businesses

Refer to Table Q in the state of Washington 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. BBNB's business lending in the Walla Walla AA performed similarly to business distributions in low-income tracts, and slightly below the distribution for moderate-income tracts. Within our loan sample, the bank originated 6.0 percent of their business loans to low-income tracts, which compares favorably to the 5.7 percent of businesses in the AA which are also located in low-income tracts. The bank originated 15.2 percent of their loans to moderate-income tracts, which is slightly below the 16.2 percent of businesses which are located in moderate-income areas.

In Benton-Franklin, the sample indicates that the bank performs favorably in moderate-income tracts, and slightly worse in low-income tracts. The bank did not originate any loans in low-income tracts within the Kennewick-Richland AA; however, only 1.3 percent of businesses in the AA are located within low-income tracts. For moderate-income tracts, the bank originated 35.0 percent of their commercial loans within moderate-income tracts, which compares favorably with the local distribution of 28.6 percent of businesses which operate in moderate-income tracts.

In Yakima, the AA has no low-income tracts, and the bank's distribution of commercial loans to moderate-income tracts is lower than the local distribution of borrowers. BBNB originated 15.0 percent of their loans within our sample to businesses located in moderate-income tracts. This is significantly lower than the actual distribution of businesses, which have 28.4 percent of businesses located in moderate-income tracts.

Overall, the bank's lending was slightly above the distribution of businesses in low-income areas, and slightly below the distribution in moderate-income areas. The total percentage of low-income loans from our sample was 2.7 percent, which is above the distribution of 1.4 percent for businesses located in low-income tracts. In moderate-income tracts, the combined level of lending was 20.5 percent, which is slightly lower than the average 27.0 percent for the state of Washington.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank. For each census tract designation based on income, the tables state the percentage of businesses or households in the designated tract categories. Demographic data is compared to the bank's commercial loans made in designated tract categories, which is derived from the business loan sample.

Small Loans to Businesses

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

The bank's lending to small businesses in the state of Washington overall was slightly below the number of businesses; however, it compared favorably to peer. Overall, the bank lent 71.2 percent of their loans to businesses with revenue under one million dollars. This is similar to the fact that 83.1 percent of businesses in their AA have revenue under one million dollars. Meanwhile, peer institutions only lent 48.2 percent of their loans to smaller businesses during the assessment period.

In Walla Walla, the bank originated 84.8 percent of their loans to small businesses, which is comparable to the fact that census data indicates that 84.7 percent of businesses have revenues under one million dollars. Aggregate CRA data for the AA indicates that 52.8 percent of loans were to small businesses in the AA.

In Benton-Franklin, the bank originated 60.0 percent of their loans to small businesses, which is slightly lower than the 84.3 percent of businesses in the AA which census data indicates have revenues under one million dollars. However, the bank's lending exceeds the aggregate lending to small businesses in the AA which is only 46.3 percent.

In Yakima, census data indicated that 81.0 percent of businesses have revenues under one million dollars, while a review of our sample indicated that the bank made 60.0 percent of their loans to small businesses. However, the bank's level of lending to businesses with revenue under one million dollars exceeds the aggregate CRA data which indicates only 49.6 percent of loans were originated to small businesses in the AA.

Responses to Complaints

There were no complaints in relation to the bank's CRA performance in the state of Washington.

COMMUNITY DEVELOPMENT TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

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 \$
Walla Walla AA	12	70.6%	\$2,941	50.5%
Yakima AA	2	11.8%	\$591	10.1%
Benton-Franklin AA	3	17.6%	\$2,296	39.4%
Total	17	100%	\$5,828	100%

The bank's CD lending exhibits excellent responsiveness to the CD needs of the bank's AAs. The bank provided CD qualifying loans to low- and moderate-income individuals (LMI) as well as loans that benefited low- and moderate-income census tracts within the AAs. During the three-year evaluation period, the bank originated 17 CD loans totaling \$5.8 million within their AAs. Examples of CD qualifying loans made during the evaluation period include:

- \$1.7 million SBA 504 loan providing economic development and healthcare services.
- \$200 thousand loan to a local non-profit which provides services to LMI individuals.
- \$111 thousand qualifying loan to local affordable housing complex.

Additionally, the bank funded and processed 484 loans totaling \$66.6 million through the SBA's PPP within the state of WA. The purpose of the program was to help small businesses retain their workforce during the COVID-19 pandemic.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Walla Walla AA	3	495	29	628	32	30.7	1,123	9.9	0	0
Yakima AA	4	1,355	11	1,289	15	14.5	2,644	23.2	0	0
Benton-Franklin AA	5	1,620	52	6,019	57	54.8	7,639	66.9	0	0
Total	12	3,470	92	7,936	104	100	11,406	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 dollar amount of qualified investments within their three AAs. The Qualified Investments Table, shown above, sets forth information and data used to evaluate the bank's level of qualifying investments. The table includes all current evaluation period CD investments and donations, including prior period investments that remain outstanding as of the examination date.

The bank exhibited excellent responsiveness to the needs of their communities through donations and investments made. Baker Boyer made over 50 donations across their AAs to organizations and non-profits that promote affordable housing and social service programs that focus on LMI families and individuals. In addition to the donations, investments were made into general obligation school bonds providing the necessary support of school systems where the majority of students qualify for free or reduced fare lunches.

Additionally, the bank made significant investments in both minority and women owned (MWO) institutions as well as community development financial institutions (CDFI). Over the evaluation period, BBNB invested \$2.5 million in CDFIs and over \$7.3 million in MWO institutions.

Extent to Which the Bank Provides Community Development Services

The bank's CD service performance represents excellent responsiveness to the community needs within their assessment areas. Over the evaluation period, bank employees dedicated 1,239 hours of qualifying service hours. Examples of CD services provided by the bank staff include:

- Committee member service for an organization focused on providing financial aid and educational services for LMI youth.
- Volunteer service providing support at local vaccine sites supporting the community during the global COVID-19 pandemic.
- Selection and Financial Committee member service for an organization providing affordable housing for LMI families.
- Board member service for an organization providing free medical, mental health, and social support for students.

State Rating

State of Oregon

CRA rating for the State of Oregon¹: Outstanding

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- During the assessment period, BBNB originated 75.0 percent of sampled business loans to small businesses with gross annual revenues of \$1 million or less. This performance exceeds the aggregate CRA data which indicates that 54.9 percent of loans originated in the AA area were to small businesses.
- The bank's responsiveness to the needs of its communities through CD activities is excellent.

Description of Institution's Operations in Oregon

Throughout the review period, the bank maintained one branch in the city of Milton-Freewater, OR. Management designated the county of Umatilla as its sole AA in the State of Oregon. As of June 2022, the Milton-Freewater branch closed. Customers were notified that the last day the branch was open was June 17, 2022, including the ATM and safe deposit boxes.

Umatilla

The Umatilla AA comprises the entire county of Umatilla in Oregon. The county is located in the Northeastern region of Oregon, south of the Washington border at the convergence of the Umatilla and Columbia Rivers. Umatilla County comprises the majority of the Pendleton-Hermiston, OR Micropolitan Statistical Area. Umatilla County is 3,231 square miles in size. It borders Walla Walla County, WA and Benton County, WA to the north, both of which are part of the bank's AAs. Umatilla County is also bordered by the Oregon counties of Wallowa, Union, Grant, and Morrow. The U.S. Census Bureau estimates the county population at 79,988 as of July 1, 2021. The growth rate for the county from July 1, 2018, to July 1, 2021, was approximately 4.2 percent. The largest city in Umatilla County is Hermiston, which has a 2021 population of 19,455, per estimates from the U.S. Census Bureau. Pendleton, the county seat, is the second largest city with a population of 16,841. Milton-Freewater, the city in which BBNB's branch resided, has a population of 7,144. Umatilla County's top industries are healthcare and social assistance employing 4,255, retail trade employing 3,940, and manufacturing which employs 3,450. The median family income for Umatilla County is \$57,973 which is a 6 percent growth year over year.

The following table provides key demographic information for the Umatilla AA.

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.

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2019-2021 Umatilla AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	0.0	0.0	73.3	26.7	0.0
Population by Geography	76,738	0.0	0.0	71.5	28.5	0.0
Housing Units by Geography	29,741	0.0	0.0	75.6	24.4	0.0
Owner-Occupied Units by Geography	16,791	0.0	0.0	73.4	26.6	0.0
Occupied Rental Units by Geography	10,003	0.0	0.0	78.5	21.5	0.0
Vacant Units by Geography	2,947	0.0	0.0	78.1	21.9	0.0
Businesses by Geography	5,591	0.0	0.0	79.2	20.8	0.0
Farms by Geography	579	0.0	0.0	59.6	40.4	0.0
Family Distribution by Income Level	18,288	19.1	15.5	19.6	45.8	0.0
Household Distribution by Income Level	26,794	20.9	14.6	16.8	47.6	0.0
Median Family Income Non-MSAs - OR		\$51,555	Median Housing Value			\$144,672
			Median Gross Rent			\$694
			Families Below Poverty Level			13.9%
Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Scope of Evaluation in Oregon

We conducted a full-scope review of the bank's performance in its sole AA in Oregon, the Umatilla County AA. Since this AA has no low- or moderate-income census tracts, the geographic distribution of lending within the AA is not meaningful. The results of the lending test will be based on the bank's performance in lending to businesses of different sizes.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Oregon

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews.

Based on full-scope reviews, the bank's lending performance in the state of Oregon is reasonable.

This conclusion is based on performance within the Umatilla AA, which is the bank's sole AA in the state. The bank has significant penetration in small businesses within the AA, particularly relative to both the census and peer business information for the AA. Due to a lack of low- or moderate-income

tracts within the AA, the geographic distribution of lending for small businesses did not factor into the overall performance for this area.

Distribution of Loans by Income Level of the Geography

Geographic analysis was not meaningful for Oregon due to an absence of low- or moderate- income tracts located within the AA. The bank exhibits reasonable geographic distribution of loans in the state of Oregon but due to the absence of low- or moderate- income tracts to assess, the geographic analysis was not performed. The tables for geographic distribution in Oregon below are included for reference.

Small Loans to Businesses

There are no low- or moderate- income tracts within the Oregon assessment area. As such, for reviewing the volume of loans to LMI individuals, we focused our review on the distribution of loans by income level within the state of Oregon.

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.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms 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.

The distribution of loans to businesses with gross annual revenues of \$1 million or less in the Umatilla AA reflects reasonable penetration among small businesses of different sizes. During the assessment period, BBNB originated 75.0 percent of sampled business loans to small businesses with gross annual revenues of \$1 million or less. This performance exceeds the aggregate CRA data which indicates that 54.9 percent of loans originated in the AA area were to small businesses. Census data further indicates that 82.7 percent of businesses have revenues of \$1 million or less.

Responses to Complaints

There were no complaints with relation to the bank's CRA performance in the state of Oregon.

COMMUNITY DEVELOPMENT TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

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 \$
Umatilla AA	2	100	390	100

The bank exhibited excellent responsiveness to CD needs in the Umatilla AA through CD lending specifically relative to the level of opportunities available within the AA. During the evaluation period, the bank originated two qualifying community development loan totaling \$390 thousand that benefited the Umatilla AA. These loans supported a local non-profit providing assisted living opportunities for individuals with disabilities.

Additionally, the bank funded and processed 59 loans totaling \$9.5 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 majority of these loans made within the state of Oregon supported the Umatilla AA with the remainder benefiting a broader statewide area.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Umatilla AA	0	0	20	2,987	20	100	2,987	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 exhibited excellent responsiveness to community development needs in the Umatilla AA through qualified investments relative to opportunities available within the AA. The Qualified Investment Table, shown above, sets forth information and data used to evaluate the bank's level of qualified investments.

During the evaluation period, the bank donated \$7 thousand to two qualified organizations operating in the Umatilla AA. These organizations provided LMI individuals housing opportunities as well as providing food. The bank also made significant investments into the Umatilla AA via the purchasing of general obligation municipal bonds. These bonds provide infrastructure support to schools where over fifty percent of students received free or reduced fare lunches.

Extent to Which the Bank Provides Community Development Services

The bank's CD service performance represents reasonable responsiveness to the community needs within their assessment area. Over the evaluation period, bank employees dedicated 33 hours of qualifying service hours. Examples of CD services provided by the bank staff include:

- Budget Committee member for school board where a majority of the students receive free or reduced lunches.
- Committee member for organization that provides scholarships for LMI students.

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
Washington		
Walla Walla	Full-scope	Walla Walla County
Yakima	Full-scope	Yakima County
Benton-Franklin	Full-scope	Benton and Franklin Counties
Oregon		
Umatilla	Full-scope	Umatilla County

Appendix B: Summary of MMSA and State Ratings

RATINGS Baker Boyer National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/ Multistate Rating
Baker Boyer National Bank	Satisfactory	Outstanding	Outstanding
State:			
Washington	Satisfactory	Outstanding	Outstanding
Oregon	Satisfactory	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.

Washington - Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																		2019-2021	
Assessment Area:	Total Loans				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
Benton-Franklin AA	20	10,612	27.4	4,207	1.3	0	1.0	28.6	35.0	28.8	37.4	40.0	36.8	32.3	25.0	33.0	0.4	0.0	0.4
Walla Walla AA	33	3,788	45.2	839	5.7	6.0	7.9	16.2	15.2	16.1	63.3	60.6	62.5	14.7	18.2	13.6	0.1	0.0	0.0
Yakima AA	20	11,147	27.4	3,167	0.0	0	0.0	28.4	15.0	25.7	39.4	35.0	39.8	32.2	50.0	34.5	0.0	0.0	0.0
Total	73	25,547	100.0	8,213	1.4	2.7	1.3	27.0	20.5	26.3	41.4	47.9	40.6	30.1	28.8	31.6	0.2	0.0	0.2
Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Oregon - Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2019-2021
Assessment Area:	Total Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Umatilla AA	20	2,645	100.0	1,042	0.0	--	0.0	0.0	--	0.0	79.1	70.0	77.8	20.9	30.0	22.2
Total	20	2,645	100.0	1,042	0.0	--	0.0	0.0	--	0.0	79.1	70.0	77.8	20.9	30.0	22.2
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%																

Washington - Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-2021
Assessment Area:	Total Loans				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
Benton-Franklin AA	20	10,612	27.4	4,207	84.3	60.0	46.3	4.5	40.0	11.2	--
Walla Walla AA	33	3,788	45.2	839	84.7	84.8	52.8	4.3	15.2	11.0	--
Yakima AA	20	11,147	27.4	3,167	81.0	60.0	49.6	5.9	40.0	13.1	--
Total	73	25,547	100.0	8,213	83.1	71.2	48.2	5.0	28.8	11.9	--
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%											

Oregon - Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-2021
Assessment Area:	Total Loans				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
Umatilla AA	20	2,645	100.0	1,042	82.7	75.0	54.9	4.5	25.0	12.7	--
Total	20	2,645	100.0	1,042	82.7	75.0	54.9	4.5	25.0	12.7	--
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%											