

Timberline Bank

Public File



 Equal Housing Lender • Member FDIC

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Timberline Bank Community Reinvestment Act Mission Statement

The Community Reinvestment Act (CRA) was implemented by the Federal Reserve as Regulation BB, with the intent to encourage all financial institutions to meet the credit needs of their communities including low-to-moderate-income individuals and geographies, small businesses, and community development organizations.

Timberline Bank CRA Mission:

Timberline Bank is committed to serving the credit needs of its CRA Assessment Areas, as well as complying with consumer and fair lending laws and regulations. Timberline is dedicated to helping meet the financial needs of our customers and providing essential support to organizations in the communities we serve while acting in a fair and equitable manner to help build a Better, Faster, Easier experience.

Our Core Values –

1. Exceeding Customers' High Expectations
2. Empowering a Dedicated Team
3. Having Fun while Winning
4. Passionate about our Communities
5. Nimble by Nature – move quickly and thoughtfully, adapt, removing barriers to serve

Timberline Bank is engaged in Community Development and continues to seek partnerships with the intention of expanding the Bank's presence and commitment to underserved areas of the communities and economic development needs. The Bank will seek relationships with organizations to assist in developing and offering products/services that enhance the economic vitality of our communities. The Bank will continue to observe the following:

- Ensure that products and services are responsive to the needs of the community, including Low-to-Moderate areas and residents and small businesses.
- Provide loan products designed to meet the needs of the community
- Be responsive to community development needs
- Grant loans, investments, and donations in accordance with safe and sound banking practices
- Ensure that customers within the Assessment Areas, including Low-to-Moderate tracts are familiar with the Bank's offered products and services
- Provide financial literacy, budgeting and money management programs and education that targets those with limited experience or information on banking practices.
- Understand the needs of customers in low-to moderate income and minority areas within its assessment area by staff members being involved with community-based organizations who promote affordable housing, small business development, economic developments, and pathways to home ownership.

Timberline Community Memberships:

Timberline Bank is a proud member of the following:

- Colorado Lawyer Trust Account Foundation (COLTAF) Prime Partner Program.
 - Timberline Bank is happy to support COLTAF in its mission to ensure that low-income Coloradans have access to critically needed civil legal aid.
- Palisade Chamber of Commerce
- Grand Junction Chamber of Commerce
- Fruita Area Chamber of Commerce
- Western Colorado Latino Chamber of Commerce
- Montrose Area Chamber of Commerce
- Housing and Building Association of Western CO
- Aspen Resort Chamber of Commerce
- Aspen Board of Realtors
- Grand Junction Area Realtor Association
- Western Colorado Contractors Association
- Montrose Giving Club
- Community Impact Council
- The Women's Giving Club of Grand Junction

Program Administration:

The Bank's CRA program is reviewed by the Board of Directors on an annual basis. The Bank strives to meet the community bank obligations to those within its communities and trade areas. The bank prides itself in contributing to many community organizations and non-profits. The Bank's CRA public file maintains evidence of contributions and support the Bank provides. The public file is managed and maintained by the Risk Management Department and is available for viewing.

Services provided by Timberline Bank:

The Bank offer a wide array of deposit products including but not limited to:

- Checking Accounts, Money Market and Private Banking
- Savings
- Certificate of Deposits

The following credit services are offered within the Bank's trade areas -

Real Estate Loans:

- Commercial Real Estate
- Commercial Development
- Consumer Mortgage
- HELOC

Consumer Loans:

- * New and Used Automobiles
- * Boats and Recreational Vehicles
- * Possessory Loans
- * Unsecured Personal Loans

Commercial Loans:

- Agricultural Related Loans
- * UCC – Equipment, Inventory, etc.

Community Reinvestment Act

Revision 2.1

Revision Date 11/07/2025

Approved 11/25/2025

COMMUNITY REINVESTMENT ACT POLICY

INTRODUCTION

The Community Reinvestment Act (CRA) was enacted to encourage banks to help meet the credit needs of their local communities, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of the bank. Regulators, including the FDIC, take into account the record of performance under the CRA of each applicant bank in considering an application for approval of:

- (1) The establishment of a domestic branch or other facility with the ability to accept deposits;
- (2) The relocation of the bank's main office or a branch;
- (3) The merger, consolidation, acquisition of assets, or assumption of liabilities; and
- (4) Deposit insurance for a newly chartered financial institution.

Commentary

POLICY STATEMENT

The Board of Directors, management and staff of Timberline Bank are strongly committed to meeting the spirit of the Community Reinvestment Act. It is the policy of this Bank to make every reasonable attempt, within the scope of its resources and in a safe and sound manner, to meet the credit needs of the entire community, including low- and moderate-income areas within the Bank's CRA Facility-Based Assessment Area(s).

CRA OFFICER

The Bank has appointed the Risk Management Officer to act as the CRA officer, responsible for oversight of the bank's CRA compliance. The responsibilities of the CRA officer or as delegated are defined below:

1. Maintain current copies of applicable CRA statutes, regulations and interpretations.
2. Maintain proficient knowledge of applicable CRA statutes, regulations and interpretations.
3. Coordinate the training of personnel on CRA policies and procedures.

4. Serve as the Bank's community liaison and monitor and respond to CRA-related customer complaints and inquiries.
5. Maintain the Bank's CRA Public File.
6. Conduct CRA compliance reviews.
7. Maintain and log Bank Community Development Investments, Donations, and Lending activities.

ASSESSMENT AREA

§ 345.16 Facility- Based Assessment Area delineation. In compliance with the requirements of this section, the bank has delineated three assessment areas within which the FDIC evaluates the Bank's record of helping to meet the credit needs of its community. Our assessment area(s) include the geographies in which the bank has its main office and its branches. Additionally, our assessment area(s) are in compliance with the guidelines as addressed in 345.41(e):

(e) Limitations on the delineation of an assessment area. Each bank's assessment area(s):

- (1) Must consist only of whole geographies;
- (2) May not reflect illegal discrimination;
- (3) May not arbitrarily exclude low- or moderate-income geographies, and
- (4) May not extend substantially beyond an MSA boundary or beyond a state boundary

Given these assessment area guidelines, Bank management has designated the following communities as the bank's assessment area:

Grand Junction Branch - **MESA COUNTY (MSA)**

Aspen Branch - **PITKIN COUNTY (Non-MSA)**

Montrose Branch - **MONTROSE COUNTY (Non-MSA)**

Trade Territory

Timberline Bank was granted a charter by the State of Colorado to serve the convenience and needs of its community or trade area. To fulfill this responsibility, it shall be the policy of the Bank to grant loans to credit-worthy applicants, both businesses and consumers, who are located in, reside in or are employed in the Bank's assessment areas: Mesa, Pitkin and Montrose Counties. The bank's trade area also encompasses the boarding

counties of, Garfield, and Delta for our Grand Junction and Montrose offices and the counties of, Gunnison, Garfield, Eagle and Lake for our Aspen office.

The designated trade area for purpose of this policy is determined by the areas from which the Bank derives the majority of its deposit dollars and of depositors, including residents and employees of area business firms who reside outside the area. This area can be found in the CRA public file.

PERFORMANCE STANDARDS

Timberline Bank meets the criteria for **12 CFR 345.12(t) Intermediate small bank (1) Definition**. Intermediate small bank means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.564 billion. Intermediate small bank means a small bank with assets of at least \$391 million as of December 31 of both of the prior two calendar years and less than \$1.564 billion as of December 31 of either of the prior two calendar years.

The FDIC will assess an intermediate small bank pursuant to the criteria set forth in paragraph (2) of **12 CFR 345.26 Intermediate Small Bank Performance Standards (b) Lending test and (c) Community Development test**. An intermediate small bank's lending and community development test performance is evaluated pursuant to the following criteria:

Lending test:

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

Community Development test:

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

RESPONSIBILITY

Assignment of Responsibilities:

The CRA Committee is responsible for actively monitoring the existing and future CRA Program and Community Development activities of the Bank, to ensure that the Bank's CRA goals are met. The CRA officer is one resource managers may call upon for guidance, but the ultimate authority and responsibility lies with Senior Management and the Board of Directors.

Implementation

This policy will be approved on an annual basis by Risk Management

Implementation Responsibility

- Compliance Officer

File Attachments

- Community-Reinvestment-Act-Policy-Approved-Policy-20240108 (2).docx

Revision Log

Revision	Revision Date	Approval Date	Comments
2.1	11/07/2025	11/25/2025	Annual policy review
2.0	01/27/2025	02/25/2025	Annual threshold and title updates as well as annual board date approval.
1.9	01/08/2024	02/27/2024	Updated CRA 2024 thresholds.
1.8	01/18/2023	02/28/2023	Updated 2023 thresholds.
1.7	01/03/2022	01/25/2022	Annual threshold update
1.6	12/30/2020	01/26/2021	Annual Update
1.5	02/03/2020	02/25/2020	Annual update
1.4	03/08/2018	04/25/2019	Updated 2019 thresholds and annual updates.
1.2	01/23/2017	02/23/2017	CRA Policy updated.
1.1	04/28/2016	04/28/2016	Initial upload into Conetrix.

TIMBERLINE BANK
COMMUNITY REINVESTMENT ACT
PUBLIC FILE AS OF March 31, 2026
CRA Officer: Robin Gale

Locations:

Timberline Bank has 3 locations, as of September 1, 2020, and they are as follow –

- Timberline Bank – Grand Junction, CO – Opened October 25, 2004
649 Market St
Grand Junction, CO 81505
Census Tract 9.00

Hours of Operation:

Lobby: 9:00 a.m. – 5:00 p.m. Monday thru Friday
Drive-up: 7:30 a.m. – 5:00 p.m. Monday thru Thursday
7:30 a.m. – 5:30 p.m. Friday
8:30 a.m. – 12:00 p.m. Saturday

This branch has one ATM, no deposits are accepted at this ATM.

This branches assessment area includes Mesa County –
Census tract data for the county, along with a map of the assessment area, can be found in the public file.

- Timberline Bank – Aspen, CO – Opened October 25, 2004
122 W Main St
Aspen, CO 81611
Census tract 4.04

Hours of Operation:

Lobby: 9:00 a.m. – 5:00 p.m. Monday thru Friday

This branch has one ATM, no deposits are accepted at this ATM.

This branches assessment area includes Pitkin County -
Census tract data for the county, along with a map of the assessment area, can be found in the public file.

- Timberline Bank – Montrose, CO – Opened July 17, 2006
1561 Oxbow Drive
Montrose, CO 81401
Census Tract 9665.01

Hours of Operation:

Lobby Hours: 9:00 a.m. – 5:00 p.m. Monday thru Friday
Drive-up: 8:00 a.m. - 5:00 p.m. Monday thru Thursday
8:00 a.m. – 5:30 p.m. Friday
8:30 a.m. – 12:00 p.m. Saturday

This branch has one ATM, no deposits are accepted at this ATM.

This branches assessment area includes Montrose County -
Census tract data for the county, along with a map of the assessment area, can be found in the public file

BRANCH OPENINGS/CLOSINGS:

Timberline Bank has had NO branch closings or openings in the past six (6) years.

2024 FFIEC Census Report - Summary Census Demographic Information

State: 08 - COLORADO (CO)

County: 077 - MESA COUNTY



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2024 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
08	077	0002.00	Middle	No	84.61	\$86,400	\$73,103	\$61,552	2009	22.50	452	461	824
08	077	0003.00	Moderate	No	75.61	\$86,400	\$65,327	\$55,000	1381	24.19	334	294	722
08	077	0004.00	Middle	No	89.16	\$86,400	\$77,034	\$64,859	3465	26.46	917	794	1245
08	077	0005.00	Low	No	49.17	\$86,400	\$42,483	\$35,769	3115	36.18	1127	82	293
08	077	0006.01	Moderate	No	73.35	\$86,400	\$63,374	\$53,361	4444	22.43	997	1035	1606
08	077	0006.02	Moderate	No	59.25	\$86,400	\$51,192	\$43,103	5062	28.31	1433	831	1881
08	077	0007.00	Moderate	No	64.10	\$86,400	\$55,382	\$46,630	4350	35.33	1537	933	1820
08	077	0008.01	Middle	No	94.70	\$86,400	\$81,821	\$68,889	3907	27.21	1063	1039	1378
08	077	0008.02	Moderate	No	77.02	\$86,400	\$66,545	\$56,025	5114	31.11	1591	1480	1836
08	077	0009.00	Middle	No	84.11	\$86,400	\$72,671	\$61,188	4417	30.34	1340	831	1150
08	077	0010.01	Upper	No	123.87	\$86,400	\$107,024	\$90,104	4973	16.39	815	1326	1589
08	077	0010.02	Middle	No	115.72	\$86,400	\$99,982	\$84,179	6912	16.52	1142	1831	2429
08	077	0011.02	Middle	No	102.93	\$86,400	\$88,932	\$74,875	4954	21.56	1068	1714	1933
08	077	0011.03	Upper	No	139.40	\$86,400	\$120,442	\$101,402	3390	22.60	766	974	1168
08	077	0011.04	Moderate	No	76.49	\$86,400	\$66,087	\$55,641	5267	34.31	1807	964	2156
08	077	0012.00	Upper	No	135.47	\$86,400	\$117,046	\$98,542	2083	16.56	345	776	963
08	077	0013.02	Middle	No	105.28	\$86,400	\$90,962	\$76,583	5652	19.75	1116	1570	1968
08	077	0013.03	Moderate	No	74.29	\$86,400	\$64,187	\$54,043	2798	24.70	691	651	1051
08	077	0013.04	Middle	No	86.79	\$86,400	\$74,987	\$63,134	6219	26.00	1617	1575	2374
08	077	0014.02	Upper	No	126.64	\$86,400	\$109,417	\$92,125	6419	13.29	853	1857	2333
08	077	0014.03	Upper	No	123.72	\$86,400	\$106,894	\$90,000	3638	16.88	614	1248	1558
08	077	0014.04	Upper	No	141.07	\$86,400	\$121,884	\$102,621	5199	12.00	624	1995	2223
08	077	0015.02	Middle	No	113.00	\$86,400	\$97,632	\$82,198	8100	14.01	1135	2234	2955
08	077	0015.03	Middle	No	106.45	\$86,400	\$91,973	\$77,432	6251	16.19	1012	1968	2337
08	077	0015.04	Moderate	No	66.80	\$86,400	\$57,715	\$48,591	7184	20.84	1497	1378	2568
08	077	0016.00	Upper	No	150.61	\$86,400	\$130,127	\$109,557	3997	14.41	576	1358	1483

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

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2024 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
08	077	0017.02	Middle	No	97.17	\$86,400	\$83,955	\$70,682	4296	16.04	689	1549	2131
08	077	0017.03	Middle	No	103.56	\$86,400	\$89,476	\$75,331	4614	23.04	1063	1434	1794
08	077	0017.05	Middle	No	88.83	\$86,400	\$76,749	\$64,615	5820	29.11	1694	1257	2084
08	077	0017.06	Moderate	No	67.20	\$86,400	\$58,061	\$48,884	6072	34.93	2121	1133	2142
08	077	0017.07	Moderate	No	65.83	\$86,400	\$56,877	\$47,892	6333	28.71	1818	1724	2401
08	077	0018.00	Middle	No	109.05	\$86,400	\$94,219	\$79,323	3110	12.28	382	968	1764
08	077	0019.00	Upper	No	132.19	\$86,400	\$114,212	\$96,161	5158	13.92	718	2006	2698

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

2024 FFIEC Census Report - Summary Census Housing Information

State: 08 - COLORADO (CO)

County: 077 - MESA COUNTY



State Code	County Code	Tract Code	Total Housing Units	1- to 4- Family Units	Median House Age (Years)	Inside Principal City?	Owner Occupied Units	Vacant Units	Owner Occupied 1- to 4- Family Units	Renter Occupied Units
08	077	0002.00	1169	824	0	Yes	461	94	461	614
08	077	0003.00	869	722	0	Yes	294	15	289	560
08	077	0004.00	1478	1245	49	Yes	794	44	782	640
08	077	0005.00	784	293	48	Yes	82	99	72	603
08	077	0006.01	2133	1606	37	Yes	1035	154	1035	944
08	077	0006.02	2164	1881	59	Yes	831	140	804	1193
08	077	0007.00	1990	1820	60	Yes	933	77	933	980
08	077	0008.01	1378	1378	18	Yes	1039	71	1039	268
08	077	0008.02	1836	1836	32	Yes	1480	42	1480	314
08	077	0009.00	1665	1150	14	Yes	831	36	787	798
08	077	0010.01	2201	1589	28	Yes	1326	92	1326	783
08	077	0010.02	3327	2429	36	Yes	1831	249	1673	1247
08	077	0011.02	1945	1933	36	Yes	1714	86	1710	145
08	077	0011.03	1168	1168	30	Yes	974	25	974	169
08	077	0011.04	2431	2156	41	Yes	964	240	964	1227
08	077	0012.00	968	963	35	Yes	776	73	776	119
08	077	0013.02	1983	1968	34	Yes	1570	156	1570	257
08	077	0013.03	1075	1051	25	Yes	651	45	651	379
08	077	0013.04	2432	2374	43	Yes	1575	125	1575	732
08	077	0014.02	2351	2333	37	Yes	1857	268	1857	226
08	077	0014.03	1566	1558	44	Yes	1248	85	1240	233
08	077	0014.04	2319	2223	28	Yes	1995	132	1963	192
08	077	0015.02	2955	2955	25	Yes	2234	222	2234	499
08	077	0015.03	2337	2337	18	No	1968	74	1968	295
08	077	0015.04	2693	2568	29	No	1378	161	1378	1154
08	077	0016.00	1585	1483	26	Yes	1358	33	1358	194
08	077	0017.02	2264	2131	40	No	1549	212	1549	503
08	077	0017.03	1794	1794	33	Yes	1434	96	1434	264
08	077	0017.05	2245	2084	38	No	1257	115	1257	873
08	077	0017.06	2199	2142	36	No	1133	151	1133	915
08	077	0017.07	2425	2401	23	Yes	1724	54	1724	647
08	077	0018.00	1817	1764	33	No	968	646	963	203
08	077	0019.00	2698	2698	28	Yes	2006	382	2006	310

2024 FFIEC Census Report - Summary Census Income Information

State: 08 - COLORADO (CO)

County: 077 - MESA COUNTY



State Code	County Code	Tract Code	Tract Income Level	2020 MSA/MD Statewide non-MSA/MD Median Family Income	2024 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	% Below Poverty Line	Tract Median Family Income %	2020 Tract Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Household Income
08	077	0002.00	Middle	\$72,740	\$86,400	21.37	84.61	\$61,552	\$73,103	\$32,344
08	077	0003.00	Moderate	\$72,740	\$86,400	13.45	75.61	\$55,000	\$65,327	\$41,339
08	077	0004.00	Middle	\$72,740	\$86,400	20.96	89.16	\$64,859	\$77,034	\$50,313
08	077	0005.00	Low	\$72,740	\$86,400	24.63	49.17	\$35,769	\$42,483	\$24,488
08	077	0006.01	Moderate	\$72,740	\$86,400	28.80	73.35	\$53,361	\$63,374	\$39,934
08	077	0006.02	Moderate	\$72,740	\$86,400	32.92	59.25	\$43,103	\$51,192	\$26,920
08	077	0007.00	Moderate	\$72,740	\$86,400	16.51	64.10	\$46,630	\$55,382	\$39,729
08	077	0008.01	Middle	\$72,740	\$86,400	8.29	94.70	\$68,889	\$81,821	\$56,790
08	077	0008.02	Moderate	\$72,740	\$86,400	17.34	77.02	\$56,025	\$66,545	\$59,107
08	077	0009.00	Middle	\$72,740	\$86,400	11.99	84.11	\$61,188	\$72,671	\$51,412
08	077	0010.01	Upper	\$72,740	\$86,400	6.47	123.87	\$90,104	\$107,024	\$62,733
08	077	0010.02	Middle	\$72,740	\$86,400	9.17	115.72	\$84,179	\$99,982	\$67,235
08	077	0011.02	Middle	\$72,740	\$86,400	9.56	102.93	\$74,875	\$88,932	\$61,479
08	077	0011.03	Upper	\$72,740	\$86,400	0.82	139.40	\$101,402	\$120,442	\$86,797
08	077	0011.04	Moderate	\$72,740	\$86,400	13.61	76.49	\$55,641	\$66,087	\$48,230
08	077	0012.00	Upper	\$72,740	\$86,400	10.00	135.47	\$98,542	\$117,046	\$94,256
08	077	0013.02	Middle	\$72,740	\$86,400	3.91	105.28	\$76,583	\$90,962	\$74,345
08	077	0013.03	Moderate	\$72,740	\$86,400	18.22	74.29	\$54,043	\$64,187	\$44,767
08	077	0013.04	Middle	\$72,740	\$86,400	19.31	86.79	\$63,134	\$74,987	\$53,917
08	077	0014.02	Upper	\$72,740	\$86,400	1.48	126.64	\$92,125	\$109,417	\$79,876
08	077	0014.03	Upper	\$72,740	\$86,400	6.54	123.72	\$90,000	\$106,894	\$82,995
08	077	0014.04	Upper	\$72,740	\$86,400	4.41	141.07	\$102,621	\$121,884	\$82,131
08	077	0015.02	Middle	\$72,740	\$86,400	6.70	113.00	\$82,198	\$97,632	\$74,137
08	077	0015.03	Middle	\$72,740	\$86,400	6.43	106.45	\$77,432	\$91,973	\$74,466
08	077	0015.04	Moderate	\$72,740	\$86,400	15.31	66.80	\$48,591	\$57,715	\$45,423
08	077	0016.00	Upper	\$72,740	\$86,400	1.89	150.61	\$109,557	\$130,127	\$96,176
08	077	0017.02	Middle	\$72,740	\$86,400	17.33	97.17	\$70,682	\$83,955	\$43,086
08	077	0017.03	Middle	\$72,740	\$86,400	6.60	103.56	\$75,331	\$89,476	\$63,286
08	077	0017.05	Middle	\$72,740	\$86,400	23.63	88.83	\$64,615	\$76,749	\$56,628
08	077	0017.06	Moderate	\$72,740	\$86,400	26.93	67.20	\$48,884	\$58,061	\$39,545
08	077	0017.07	Moderate	\$72,740	\$86,400	16.10	65.83	\$47,892	\$56,877	\$47,934
08	077	0018.00	Middle	\$72,740	\$86,400	14.97	109.05	\$79,323	\$94,219	\$73,097
08	077	0019.00	Upper	\$72,740	\$86,400	4.79	132.19	\$96,161	\$114,212	\$77,328

2024 FFIEC Census Report - Summary Census Population Information

State: 08 - COLORADO (CO)

County: 077 - MESA COUNTY



State Code	County Code	Tract Code	Tract Population	Tract Minority %	Number of Families	Number of Households	Non-Hisp White Population	Tract Minority Population	American Indian Population	Asian/Hawaiian/Pacific Islander Population	Black Population	Hispanic Population	Other Population/Two or More Races
08	077	0002.00	2009	22.50	330	1075	1557	452	17	14	16	291	114
08	077	0003.00	1381	24.19	248	854	1047	334	10	21	16	212	75
08	077	0004.00	3465	26.46	758	1434	2548	917	26	51	32	643	165
08	077	0005.00	3115	36.18	162	685	1988	1127	64	105	93	720	145
08	077	0006.01	4444	22.43	854	1979	3447	997	28	83	42	646	198
08	077	0006.02	5062	28.31	780	2024	3629	1433	34	89	65	970	275
08	077	0007.00	4350	35.33	870	1913	2813	1537	29	39	47	1193	229
08	077	0008.01	3907	27.21	904	1307	2844	1063	33	51	39	710	230
08	077	0008.02	5114	31.11	1419	1794	3523	1591	24	61	24	1189	293
08	077	0009.00	4417	30.34	693	1629	3077	1340	21	171	46	923	179
08	077	0010.01	4973	16.39	1111	2109	4158	815	12	36	30	513	224
08	077	0010.02	6912	16.52	1669	3078	5770	1142	19	128	29	624	342
08	077	0011.02	4954	21.56	1306	1859	3886	1068	24	61	38	683	262
08	077	0011.03	3390	22.60	864	1143	2624	766	23	29	22	515	177
08	077	0011.04	5267	34.31	1455	2191	3460	1807	49	79	37	1329	313
08	077	0012.00	2083	16.56	683	895	1738	345	6	18	2	232	87
08	077	0013.02	5652	19.75	1517	1827	4536	1116	23	97	18	690	288
08	077	0013.03	2798	24.70	623	1030	2107	691	19	36	16	465	155
08	077	0013.04	6219	26.00	1367	2307	4602	1617	57	31	38	1121	370
08	077	0014.02	6419	13.29	1623	2083	5566	853	13	79	21	419	321
08	077	0014.03	3638	16.88	1048	1481	3024	614	16	42	14	328	214
08	077	0014.04	5199	12.00	1409	2187	4575	624	16	65	16	270	257
08	077	0015.02	8100	14.01	1944	2733	6965	1135	43	47	16	620	409
08	077	0015.03	6251	16.19	1847	2263	5239	1012	29	44	45	598	296
08	077	0015.04	7184	20.84	1706	2532	5687	1497	37	56	28	1001	375
08	077	0016.00	3997	14.41	1137	1552	3421	576	7	43	8	324	194
08	077	0017.02	4296	16.04	1210	2052	3607	689	23	37	9	407	213
08	077	0017.03	4614	23.04	1211	1698	3551	1063	20	45	27	728	243
08	077	0017.05	5820	29.11	1424	2130	4126	1694	55	39	49	1300	251
08	077	0017.06	6072	34.93	1395	2048	3951	2121	64	29	49	1653	326
08	077	0017.07	6333	28.71	1399	2371	4515	1818	41	35	56	1399	287
08	077	0018.00	3110	12.28	903	1171	2728	382	18	13	14	194	143
08	077	0019.00	5158	13.92	1659	2316	4440	718	33	27	18	368	272

2024 FFIEC Census Report - Summary Census Demographic Information

State: 08 - COLORADO (CO)

County: 085 - MONTROSE COUNTY



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2024 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
08	085	9661.00	Moderate	No	71.13	\$94,200	\$67,004	\$51,492	2178	11.71	255	850	1472
08	085	9662.01	Middle	No	96.42	\$94,200	\$90,828	\$69,800	2753	18.96	522	836	1231
08	085	9662.02	Middle	No	82.30	\$94,200	\$77,527	\$59,583	4460	40.94	1826	1257	1852
08	085	9663.01	Unknown	No	0.00	\$94,200	\$0	\$0	2306	33.39	770	424	1279
08	085	9663.02	Middle	No	80.46	\$94,200	\$75,793	\$58,250	3812	41.45	1580	1079	1624
08	085	9664.01	Middle	No	106.38	\$94,200	\$100,210	\$77,014	1175	16.34	192	341	465
08	085	9664.02	Middle	No	103.91	\$94,200	\$97,883	\$75,227	5099	25.18	1284	1264	1673
08	085	9665.01	Upper	No	121.39	\$94,200	\$114,349	\$87,878	3019	15.04	454	1007	1364
08	085	9665.02	Middle	No	105.52	\$94,200	\$99,400	\$76,393	4280	19.84	849	1489	1830
08	085	9665.03	Middle	No	101.04	\$94,200	\$95,180	\$73,143	3543	28.87	1023	1141	1461
08	085	9666.01	Middle	No	83.02	\$94,200	\$78,205	\$60,102	5362	40.49	2171	1756	2304
08	085	9666.02	Middle	No	116.07	\$94,200	\$109,338	\$84,028	4692	13.36	627	1470	1936

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

2024 FFIEC Census Report - Summary Census Housing Information

State: 08 - COLORADO (CO)

County: 085 - MONTROSE COUNTY



State Code	County Code	Tract Code	Total Housing Units	1- to 4-Family Units	Median House Age (Years)	Inside Principal City?	Owner Occupied Units	Vacant Units	Owner Occupied 1- to 4- Family Units	Renter Occupied Units
08	085	9661.00	1487	1472	46	No	850	448	850	189
08	085	9662.01	1231	1231	30	No	836	158	836	237
08	085	9662.02	1866	1852	32	No	1257	234	1257	375
08	085	9663.01	1396	1279	57	No	424	280	387	692
08	085	9663.02	1738	1624	42	No	1079	241	1079	418
08	085	9664.01	748	465	28	No	341	0	341	407
08	085	9664.02	2046	1673	37	No	1264	161	1174	621
08	085	9665.01	1364	1364	26	No	1007	94	1007	263
08	085	9665.02	1870	1830	17	No	1489	92	1480	289
08	085	9665.03	1461	1461	26	No	1141	59	1141	261
08	085	9666.01	2304	2304	24	No	1756	30	1756	518
08	085	9666.02	1944	1936	30	No	1470	175	1470	299

2024 FFIEC Census Report - Summary Census Income Information

State: 08 - COLORADO (CO)

County: 085 - MONTROSE COUNTY



State Code	County Code	Tract Code	Tract Income Level	2020 MSA/MD Statewide non-MSA/MD Median Family Income	2024 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	% Below Poverty Line	Tract Median Family Income %	2020 Tract Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Household Income
08	085	9661.00	Moderate	\$72,390	\$94,200	11.53	71.13	\$51,492	\$67,004	\$41,140
08	085	9662.01	Middle	\$72,390	\$94,200	9.39	96.42	\$69,800	\$90,828	\$61,194
08	085	9662.02	Middle	\$72,390	\$94,200	7.89	82.30	\$59,583	\$77,527	\$56,230
08	085	9663.01	Unknown	\$72,390	\$94,200	19.08	0.00	\$0	\$0	\$31,394
08	085	9663.02	Middle	\$72,390	\$94,200	26.70	80.46	\$58,250	\$75,793	\$48,974
08	085	9664.01	Middle	\$72,390	\$94,200	17.19	106.38	\$77,014	\$100,210	\$43,519
08	085	9664.02	Middle	\$72,390	\$94,200	15.70	103.91	\$75,227	\$97,883	\$54,308
08	085	9665.01	Upper	\$72,390	\$94,200	9.01	121.39	\$87,878	\$114,349	\$75,347
08	085	9665.02	Middle	\$72,390	\$94,200	9.33	105.52	\$76,393	\$99,400	\$63,125
08	085	9665.03	Middle	\$72,390	\$94,200	10.68	101.04	\$73,143	\$95,180	\$56,212
08	085	9666.01	Middle	\$72,390	\$94,200	8.85	83.02	\$60,102	\$78,205	\$54,042
08	085	9666.02	Middle	\$72,390	\$94,200	9.32	116.07	\$84,028	\$109,338	\$74,350

2024 FFIEC Census Report - Summary Census Population Information

State: 08 - COLORADO (CO)

County: 085 - MONTROSE COUNTY



State Code	County Code	Tract Code	Tract Population	Tract Minority %	Number of Families	Number of Households	Non-Hisp White Population	Tract Minority Population	American Indian Population	Asian/Hawaiian/Pacific Islander Population	Black Population	Hispanic Population	Other Population/Two or More Races
08	085	9661.00	2178	11.71	663	1039	1923	255	8	2	5	110	130
08	085	9662.01	2753	18.96	858	1073	2231	522	15	11	9	350	137
08	085	9662.02	4460	40.94	1049	1632	2634	1826	29	15	18	1622	142
08	085	9663.01	2306	33.39	514	1116	1536	770	14	38	10	620	88
08	085	9663.02	3812	41.45	1042	1497	2232	1580	27	32	22	1378	121
08	085	9664.01	1175	16.34	403	748	983	192	11	8	4	142	27
08	085	9664.02	5099	25.18	1166	1885	3815	1284	25	50	29	982	198
08	085	9665.01	3019	15.04	1031	1270	2565	454	20	31	6	265	132
08	085	9665.02	4280	19.84	1275	1778	3431	849	26	65	27	570	161
08	085	9665.03	3543	28.87	1010	1402	2520	1023	22	21	9	815	156
08	085	9666.01	5362	40.49	1697	2274	3191	2171	56	54	8	1828	225
08	085	9666.02	4692	13.36	1425	1769	4065	627	9	33	12	345	228

2024 FFIEC Census Report - Summary Census Demographic Information

State: 08 - COLORADO (CO)

County: 097 - PITKIN COUNTY



State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2024 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
08	097	0001.01	Middle	No	98.91	\$94,200	\$93,173	\$71,607	3989	14.36	573	1497	1763
08	097	0001.02	Upper	No	135.56	\$94,200	\$127,698	\$98,135	3795	20.69	785	1016	1837
08	097	0004.02	Upper	No	153.25	\$94,200	\$144,362	\$110,938	2582	21.26	549	447	1051
08	097	0004.03	Upper	No	153.42	\$94,200	\$144,522	\$111,063	2332	13.38	312	610	1228
08	097	0004.04	Upper	No	206.29	\$94,200	\$194,325	\$149,338	2059	15.15	312	518	1212
08	097	0005.00	Upper	No	158.22	\$94,200	\$149,043	\$114,539	2601	15.15	394	914	1181
08	097	9999.99	Upper	No	134.88	\$94,200	\$127,057	\$97,643	17358	16.85	2925	5002	8272

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

2024 FFIEC Census Report - Summary Census Housing Information

State: 08 - COLORADO (CO)

County: 097 - PITKIN COUNTY



State Code	County Code	Tract Code	Total Housing Units	1- to 4- Family Units	Median House Age (Years)	Inside Principal City?	Owner Occupied Units	Vacant Units	Owner Occupied 1- to 4- Family Units	Renter Occupied Units
08	097	0001.01	3926	1763	36	No	1497	2070	722	359
08	097	0001.02	1980	1837	29	No	1016	643	1016	321
08	097	0004.02	2638	1051	41	No	447	1854	261	337
08	097	0004.03	1769	1228	41	No	610	540	455	619
08	097	0004.04	1890	1212	36	No	518	798	339	574
08	097	0005.00	1658	1181	21	No	914	532	612	212
08	097	9999.99	13861	8272	35	No	5002	6437	3405	2422

2024 FFIEC Census Report - Summary Census Income Information

State: 08 - COLORADO (CO)

County: 097 - PITKIN COUNTY



State Code	County Code	Tract Code	Tract Income Level	2020 MSA/MD Statewide non-MSA/MD Median Family Income	2024 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	% Below Poverty Line	Tract Median Family Income %	2020 Tract Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Household Income
08	097	0001.01	Middle	\$72,390	\$94,200	4.19	98.91	\$71,607	\$93,173	\$79,115
08	097	0001.02	Upper	\$72,390	\$94,200	8.61	135.56	\$98,135	\$127,698	\$91,477
08	097	0004.02	Upper	\$72,390	\$94,200	3.86	153.25	\$110,938	\$144,362	\$99,706
08	097	0004.03	Upper	\$72,390	\$94,200	2.48	153.42	\$111,063	\$144,522	\$83,496
08	097	0004.04	Upper	\$72,390	\$94,200	3.51	206.29	\$149,338	\$194,325	\$65,238
08	097	0005.00	Upper	\$72,390	\$94,200	9.58	158.22	\$114,539	\$149,043	\$85,179
08	097	9999.99	Upper	\$72,390	\$94,200	5.67	134.88	\$97,643	\$127,057	\$82,455

2024 FFIEC Census Report - Summary Census Population Information

State: 08 - COLORADO (CO)

County: 097 - PITKIN COUNTY



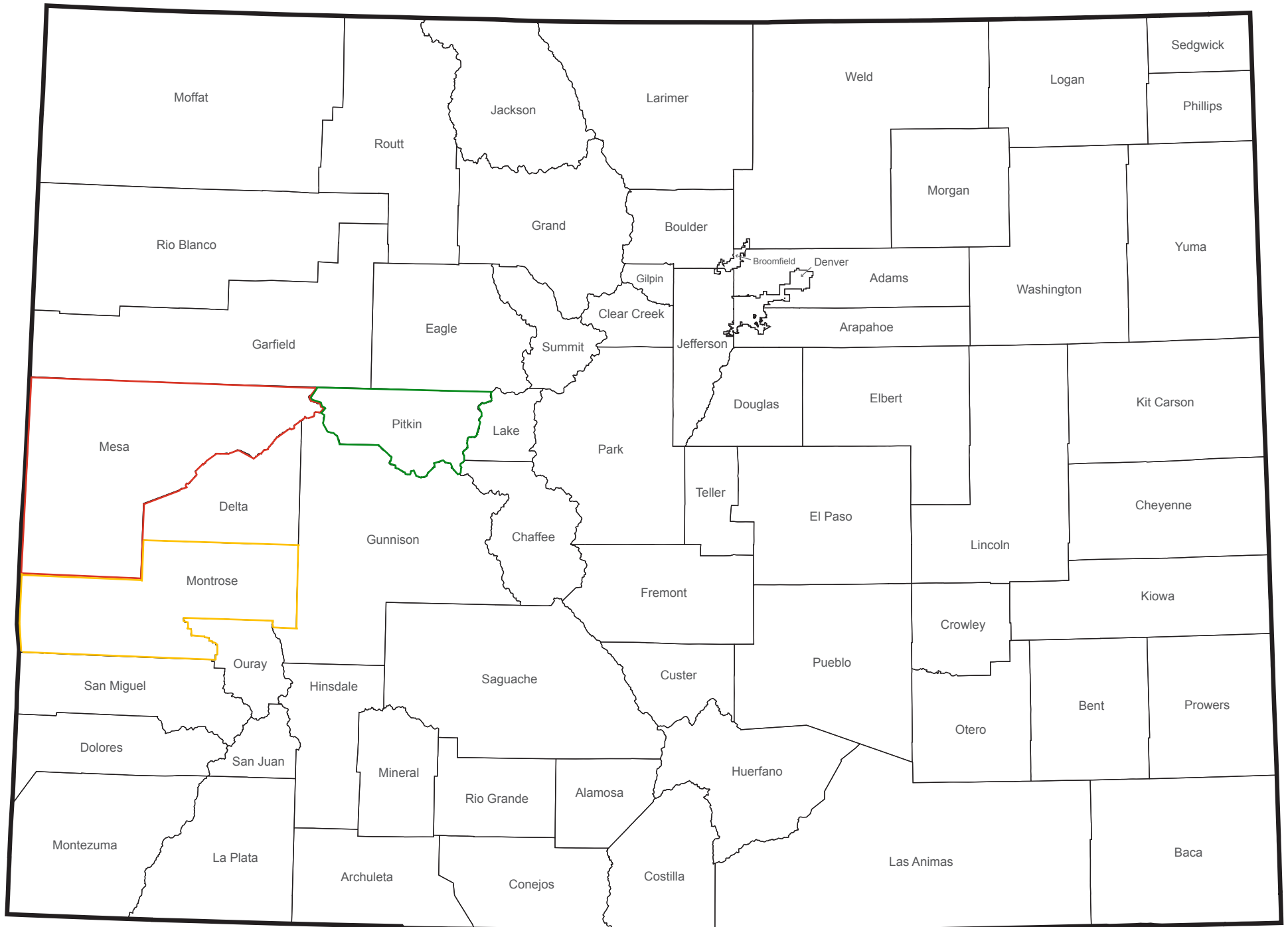
State Code	County Code	Tract Code	Tract Population	Tract Minority %	Number of Families	Number of Households	Non-Hisp White Population	Tract Minority Population	American Indian Population	Asian/Hawaiian/Pacific Islander Population	Black Population	Hispanic Population	Other Population/Two or More Races
08	097	0001.01	3989	14.36	1014	1856	3416	573	7	56	26	341	143
08	097	0001.02	3795	20.69	831	1337	3010	785	14	34	15	604	118
08	097	0004.02	2582	21.26	420	784	2033	549	7	58	22	369	93
08	097	0004.03	2332	13.38	491	1229	2020	312	3	45	11	170	83
08	097	0004.04	2059	15.15	454	1092	1747	312	4	47	13	171	77
08	097	0005.00	2601	15.15	697	1126	2207	394	1	47	7	237	102
08	097	9999.99	17358	16.85	3907	7424	14433	2925	36	287	94	1892	616

Grand Junction Assessment Area- Mesa County

Aspen Assessment Area- Pitkin County

Montrose Assessment Area- Montrose County

Colorado County Map





Products and Services List:

- Personal Banking
- Personal Online Banking
- Personal Credit Cards
- Business Banking
- Business Credit Card
- Business Loans
- Business Online Banking
- Community Bank
- Hours and Locations
- Cash Management
- Security Based Lending
- Small Business Administration Loans
- IRA Solutions
- Non-Profit Accounts
- Mortgage Broker Services

PUBLIC DISCLOSURE

February 6, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Timberline Bank
Certificate Number: 57857

649 Market Street
Grand Junction, Colorado 81505

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

600 North Pearl Street, Suite 700 600 North Pearl Street, Suite 700
Dallas, Texas 75201 Dallas, Texas 75201

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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

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

The Lending Test is rated Satisfactory.

Satisfactory performance under the Lending Test supports the rating. The following points summarize conclusions for each Lending Test performance factor, which this evaluation discusses in detail elsewhere.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels
- The institution did not receive any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas. The institution's record of originating community development loans and providing community development services, without simply ignoring qualified investments, supports this conclusion.

DESCRIPTION OF INSTITUTION

Timberline Bank maintains its headquarters in Grand Junction, Colorado. Timberline Bancorporation, Aspen, Colorado, a single-institution holding company, wholly owns Timberline Bank. There are no existing affiliates or subsidiaries that are relevant to be considered for this CRA evaluation. Timberline Bank received a Satisfactory rating at its prior April 13, 2020 FDIC CRA Performance Evaluation based on the Interagency Small Institution Examination Procedures.

Timberline Bank operates three full-service offices in the State of Colorado with the main office located in Grand Junction, Colorado and the other two full-service branch offices are located in Aspen, Colorado and Montrose, Colorado. The institution did not open or close any branch offices during the evaluation period. During the evaluation period, Timberline Bank's main office relocated one-half mile away from its previous location. The middle-income census tract level designation of the institution's main office location did not change as a result of the relocation. Lastly, Timberline Bank did not participate in any merger or acquisition activities since the previous evaluation.

Timberline Bank offers various loan products that includes commercial, home mortgage, construction, and, consumer. The institution's primary lending focus is commercial lending followed by home mortgage lending. The institution also offers a full line of deposit services that includes checking, savings, certificate of deposit, minor savings, individual retirement, and health savings accounts. Alternative banking services include online banking, bill pay, mobile banking, person-to-person service, as well as, participation in an automated teller machine (ATM) network with thousands of surcharge-free ATMs worldwide.

Timberline Bank reported total assets of \$698.9 million as of September 30, 2022, including \$512.4 million in total loans. Deposits totaled \$620.5 million as of the same date. Total assets increased approximately 40.1 percent, net loans increased approximately 45.1 percent, and total deposits increased approximately 38.7 percent since the prior evaluation.

The following table details the institution's loan portfolio, as of September 30, 2022, reflecting a focus on commercial lending, at 52.6 percent, followed by residential real estate lending at 36.2 percent.

Loan Portfolio Distribution as of September 30, 2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	28,614	5.6
Secured by Farmland	3,787	0.7
Secured by 1-4 Family Residential Properties	181,047	35.3
Secured by Multifamily (5 or more) Residential Properties	4,330	0.9
Secured by Nonfarm Nonresidential Properties	207,252	40.4
Total Real Estate Loans	425,030	82.9
Commercial and Industrial Loans	62,383	12.2
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	4,779	0.9
Other Loans	20,209	4.0
Total Loans	512,401	100.0
<i>Source: Reports of Condition and Income as of 9/30/2022. Due to rounding, totals may not equal 100.0 percent.</i>		

Examiners did not identify any financial, legal, or other impediments that affect Timberline Bank’s ability to meet its assessment areas credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. As noted in the following table, Timberline Bank designated three counties in the State of Colorado as its assessment areas. Mesa County comprises the entire Grand Junction Metropolitan Statistical Area (Grand Junction MSA), while Pitkin and Montrose Counties are adjacent counties in Western Colorado. There has been no changes to the institution’s assessment areas since the prior evaluation. The two Colorado nonmetropolitan statistical area (Non-MSA) assessment areas represent generally similar characteristics, and examiners did not identify any anomalies in performance between the two areas. Therefore, this evaluation will combine both areas as the Colorado Non-MSA assessment area (Colorado Non-MSA AA) for presentation and analysis.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Areas	# of Census Tracts	# of Branches
Grand Junction MSA	Mesa	33	1
Colorado Non-MSA AA	Pitkin, Montrose	18	2
<i>Source: Bank Records</i>			

The institution’s assessment areas meets the technical requirements of the CRA and do not arbitrarily exclude low-and moderate-income areas. Refer to the individual assessment area discussions for more details.

SCOPE OF EVALUATION

General Information

This evaluation covers from the previous evaluation dated April 13, 2020 to the current evaluation dated February 6, 2023. Examiners will perform the Intermediate Small Institution CRA Examination Procedures to evaluate the institution’s performance, which includes the Lending Test and Community Development Test. The appendix list each tests criteria.

Examiners applied full scope procedures to the Grand Junction MSA since this area contains the largest percentage of the institution’s loans and deposits activities and will receive heavier weighting when drawing overall conclusions and ratings. The combined Colorado Non-MSA AA will receive limited scope review as it comprises a smaller percentage of the institution’s loans and deposit, and the prior evaluation utilized full-scope procedures.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Grand Junction MSA	491,537	59.4	426,590	69.6	1	33.4
Colorado Non-MSA AA	336,556	40.6	186,772	30.4	2	66.6
Total	828,093	100.0	612,912	100.0	3	100.0

Source: 2022 Bank Records and FDIC Summary of Deposits (06/30/2022). Due to rounding, totals may not equal 100.0 percent.

Small Business Administration (SBA) Paycheck Protection Program (PPP) Loans

Small Business Administration (SBA) Paycheck Protection Program (PPP) Loans and the Coronavirus Aid Relief and Economic Security Act, signed into law on March 27, 2020, established the temporary PPP. The SBA with support from the Department of the Treasury implements the PPP, which provides loans to encourage qualified businesses that meet certain standards established by the SBA, to retain employees through the COVID-19 pandemic and includes loan forgiveness subject to certain conditions. The FDIC encourages financial institutions to consider using this program in a prudent manner as they actively work with business borrowers, including small businesses, with less financial flexibility to withstand near term operational challenges due to the COVID-19.

Timberline Bank originated 135 PPP loans totaling \$11.3 million in 2021. This lending activity demonstrates the institution's willingness to meet the credit needs of businesses of varying sizes, including small businesses, in response to the COVID-19 pandemic. For this evaluation, examiners considered the PPP loans originated by the institution in 2021 in the Community Development Lending Test.

Activities Reviewed

For the Lending Test, CRA Intermediate Small Institution Procedures require examiners to determine the institution’s major product lines for review. Examiners may select from among the same loan categories used for CRA Large Bank evaluations: home mortgage, small business, small farm, and consumer loans. Examiners determined the institution’s major product lines include

small business lending and home mortgage lending. No other types, including small farm or consumer loans, represent major product lines. Therefore, this evaluation does not include a review of them. The institution's records indicate the lending focus and product mix remained generally consistent throughout the evaluation period. The following table shows the institution's originations and purchases over the most recent calendar year by loan type.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	193,948	23.4	243	24.2
Secured by Farmland	15,525	1.9	8	0.8
Secured by 1-4 Family Residential Properties	216,656	26.2	268	26.7
Multi-Family (5 or more) Residential Properties	2,984	0.4	3	0.3
Commercial Real Estate Loans	217,487	26.2	174	17.3
Commercial and Industrial Loans	140,556	17.0	233	23.3
Agricultural Loans	0	0.0	0	0.0
Consumer Loans	2,445	0.3	52	5.2
Other Loans	38,492	4.6	23	2.2
Total Loans	828,093	100.0	1,004	100.0
<i>Source: 2022 Bank Records. Due to rounding, totals may not equal 100.0 percent.</i>				

For the current evaluation, examiners selected a random sample of 60 small business loans totaling \$15.6 million from a universe of 294 small business loans totaling \$84.3 that were originated in 2022, the most recent calendar year of available data. D&B data for 2022 provided standard of comparison for small business loans.

In addition, examiners selected a random sample of 56 home mortgage loans totaling \$57.7 million from a universe of 155 home mortgage loans totaling \$176.9 million that were originated in 2022, the most recent calendar year of available data. Examiners compared the institution's home mortgage lending to 2020 U.S. Census Data. Examiners noted a substantial majority of home mortgage lending were loans to non-natural individuals and non-owner occupied, consistent with Bank's business strategy. As a result, the annual gross income is not readily available for these loans, which hinders meaningful conclusions. Consequently, examiners sampled 11 additional home mortgage loans originated in 2022 totaling \$13.7 million to natural individuals where gross income data is readily available from the Colorado Non-MSA AA.

Examiners considered the dollar volume and number of loans, as well as, management's stated business strategy, when weighing each loan category's effect on overall conclusions of the applicable performance factors. The following table shows that for the 2022 loan categories reviewed, home mortgage loans outweigh small business lending by dollar volume. However, given the considerations noted above and the bank's business strategy, small business performance received more weight when arriving at conclusion.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Small Business	294	84,312	60	15,619
Home Mortgage	155	176,903	56	57,761
<i>Source: 2022 Bank Records</i>				

To evaluate the Lending Test, examiners reviewed the number and dollar volume of small business and home mortgage loans. While this evaluation presents the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of businesses and individuals served.

For the Community Development Test, the institution’s management provided data on community development loans, qualified investments, and community development services since the previous CRA evaluation. Examiners evaluated the community development activity quantitatively based on the financial capacity of the institution as well as qualitatively based on the institution’s ability and capacity to meet assessment area needs.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Timberline Bank demonstrated a satisfactory record for the institution as a whole regarding the Lending Test. A reasonable net loan-to-deposit ratio, a majority of loans inside the assessment areas, and reasonable geographic distribution and borrower profile loan distribution performance primarily support the Lending Test record.

Loan-to-Deposit Ratio

The net loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. The institution recorded an average, net loan-to-deposit ratio of 79.2 percent since the prior evaluation. The ratio ranged from a low of 64.2 percent on September 30, 2021, to a high of 91.0 percent on June 30, 2020. While the ratio showed some fluctuation during the evaluation period, it reflects an overall declining trend since the last evaluation.

The following table includes similarly-situated institutions that operate in and generally around the institution’s assessment areas, are similar in asset size and loan composition. Timberline Bank's ratio is higher than the other institution that is also located in Grand Junction, CO. Furthermore, Timberline Bank's ratio is higher or falls in-between the other institutions that are more generally comparable in asset size, further supporting reasonable performance.

Loan-to-Deposit Ratio Comparison		
Institutions Charter Name and City Location	Total Assets as of 09/30/2022 (\$000s)	Average Net LTD Ratio (%)
Timberline Bank, Grand Junction, Colorado	698,983	79.2
San Luis Valley Federal Bank, Alamosa, Colorado	403,114	73.6
First Southwest Bank, Alamosa, Colorado	479,346	64.3
5Star Bank, Colorado Springs, Colorado	355,864	86.1
Home Loan State Bank, Grand Junction, Colorado	205,378	45.0
<i>Source: Reports of Condition and Income 06/30/2020 – 09/30/2022</i>		

Assessment Area Concentration

The institution originated majority of loans inside its assessment areas. As seen in the following table, a majority of small business and home mortgage loans, by number and dollar, are within the assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	52	86.7	8	13.3	60	12,570	80.5	3,049	19.5	15,619
Home Mortgage	37	66.1	19	33.9	56	33,101	57.3	24,659	42.7	57,760
<i>Source: 2022 Bank Records Due to rounding totals may not equal 100.0 percent.</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Overall, reasonable records in the Grand Junction MSA and the Colorado Non-MSA AA support this conclusion. Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues. Examiners primarily focused on the number of loans in the low-and moderate-income tracts in the assessment areas when arriving at conclusions.

Borrower Profile

The distribution of borrower's reflects a reasonable penetration among businesses of different sizes and individuals of different income levels. Reasonable records in the Grand Junction MSA and the Colorado Non-MSA AA support this conclusion. Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues. Examiners focused on the percentage of loans, by number, to businesses with gross annual revenue of \$1 million or less and to low- and moderate-income individuals when arriving at conclusions.

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore,

this criterion did not affect the Lending Test rating

COMMUNITY DEVELOPMENT TEST

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

Community Development Loans

The institution originated 85 community development loans totaling approximately \$16.1 million. This level equates to 2.7 percent of average total assets of \$605.4 million and 3.9 percent of average total net loans of \$410.7 million since the prior evaluation. The institution originated all community development loans in 2021 to revitalize or stabilize qualifying geographies, which demonstrated the institution’s responsiveness to identified community development needs.

The institution’s community development loans benefitted the following assessment areas:

- Grand Junction MSA– 60 community development loans totaling \$14.5 million.
- Colorado Non-MSA AA – 25 community development loans totaling \$1.6 million.

Qualified Investments

In 2022, the institution made use of nine qualified investments in the form of donations totaling \$22 thousand. The total volume of qualified investments represents 0.004 percent of average total assets and 0.016 percent of average total securities of \$136 million. The figure includes one qualified investment totaling \$9 thousand within the broader statewide or regional area.

The following tables illustrate the qualified investments by assessment areas, and purpose.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Grand Junction MSA	0	0	7	13	1	<1	0	0	8	13
Colorado Non-MSA AA	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	7	13	1	<1	0	0	8	13
Broader Statewide or Regional Area	0	0	1	9	0	0	0	0	1	9
Total	0	0	8	22	1	<1	0	0	9	22
<i>Source: Bank Records</i>										

The following lists an example of a notable donation in the Broader Statewide or Regional Area:

- **Community Service:** The institution granted \$9 thousand to an organization that funds

civil legal services for Coloradans. The services provided help low-income individuals and families with issues affecting their economic stability, such as housing, consumer finance, family law, elder care, domestic violence, access to healthcare and education, employment and income maintenance.

Community Development Services

The institution’s employees provided seven qualified community development services during the evaluation period. These service activities demonstrate adequate responsiveness to identified assessment area needs. The services involve the institution’s personnel use of their financial and technical expertise to benefit organizations or projects with a primary purpose of community development, primarily focused on affordable housing and community services targeted to low- or moderate-income individuals.

The following tables illustrate the community development services by year, purpose, and assessment areas.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	1	4	0	0	5
2023 (YTD)	0	2	0	0	2
Total	1	6	0	0	7
<i>Source: Bank Records</i>					

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Grand Junction MSA	0	4	0	0	4
Colorado Non-MSA	1	2	0	0	3
Total	1	6	0	0	7
<i>Source: Bank Records</i>					

The institution did not operate any offices in low-or moderate-income census tracts, locations are within close proximity to serve such geographies, and the institution provides alternative delivery systems that help avail its services to low- and moderate-income individuals and geographies. Those alternative systems include online banking, bill pay, mobile banking, person-to-person payments, and participation in the Money Pass ATM network with thousands of surcharge-free ATMs worldwide. Consequently, the alternative delivery systems compliment the limited accessibility of branch distribution systems in low- and moderate - income geographies.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The institution’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. Therefore, this consideration did not affect the institution’s overall CRA rating.

GRAND JUNCTION MSA– Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN GRAND JUNCTION MSA

The Grand Junction MSA consists of all 33 census tracts in Mesa County, Colorado, that comprise the Grand Junction MSA.

Economic and Demographic Data

The assessment area’s census tracts reflect the following income designations based on 2020 U.S. Census data: one low-, 10 moderate-, 14 middle-, and eight upper-income census tracts. The following table illustrates select demographic data for the area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	3.0	30.3	42.4	24.2	0.0
Population by Geography	155,703	2.0	30.8	44.8	22.4	0.0
Housing Units by Geography	64,244	1.2	30.8	44.8	23.1	0.0
Owner-Occupied Units by Geography	41,270	0.2	25.3	46.6	28.0	0.0
Occupied Rental Units by Geography	18,480	3.3	45.0	39.7	12.0	0.0
Vacant Units by Geography	4,494	2.2	24.0	49.5	24.3	0.0
Businesses by Geography	26,371	2.1	24.0	48.5	25.4	0.0
Farms by Geography	1,007	0.9	12.4	60.6	26.1	0.0
Family Distribution by Income Level	37,528	19.4	18.8	22.3	39.5	0.0
Household Distribution by Income Level	59,750	24.1	16.1	17.9	41.8	0.0
Median Family Income MSA - 24300 Grand Junction, CO MSA		\$72,740	Median Housing Value			\$257,693
			Median Gross Rent			\$993
			Families Below Poverty Level			8.5%
<i>Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification</i>						

Based on information provided by Moody’s Analytics, the area’s major employers include: St. Mary’s Hospital, Community Hospital, Colorado Mesa University, and VA Medical Center-Grand Junction.

The following table reflects annual unemployment rates over the evaluation period for Mesa County, State of Colorado, and nationwide. For Mesa County, the unemployment rate was at its highest in 2020 during the evaluation period primarily due to the impact of the COVID-19 pandemic. Unemployment rates for 2021 and 2022 improved showing a downward trend in Mesa County.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Mesa County	6.6	3.9	3.6
State of Colorado	6.4	4.2	3.3
Nationwide	6.7	3.9	3.5

Source: Bureau of Labor Statistics.

Examiners use the applicable Federal Financial Institutions Examination Council’s (FFIEC’s) median family income level to analyze home mortgage loans under the borrower profile performance factor. The following table shows the applicable income ranges based on the 2022 FFIEC-estimated median family income of \$83,500 applicable to the area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Grand Junction, Colorado MSA Median Family Income (24300)				
2022 (\$83,500)	<\$41,750	\$41,750 to <\$66,800	\$66,800 to <\$100,200	≥\$100,200

Source: FFIEC

Competition

The assessment area reflects a moderate level of competition for financial services. According to FDIC Deposit Market Share data as of June 30, 2022, 12 financial institutions operate 36 full-service branches within the assessment area. Of these institutions, Timberline Bank ranks 3rd with an 11.1 percent deposit market share. The area also includes various credit unions, which also provide increased competition.

Community Contact(s)

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community needs. This information helps determine financial institutions’ responsiveness to these needs and indicates available credit opportunities.

Examiners contacted a representative of an economic development organization that serves the assessment area. The contact identified the ongoing need of small business lending to local

businesses. The contact mentioned the smaller to mid-size financial institutions in the assessment area are primarily making efforts to offering loan products to support local small business lending needs. From an overall perspective, the contact states the assessment area is well banked and community projects are receiving funding by the local financial institutions to meet the assessment area community credit needs.

Credit and Community Development Needs and Opportunities

Considering information obtained from the institution's management, the community contact, and demographic and economic data, examiners determined that commercial lending, especially for small businesses, and home mortgage lending represents the primary credit needs of the area. Small business and small business development services continue to be ongoing demand to ensure area growth and an adequate workforce.

With respect to the area's community development needs, demographic data shows that 33.3 percent of the area's census tracts received low- or moderate-income designations, coupled with the Federal Disaster Designation for this area remaining active in response to the COVID-19 pandemic suggest a need for activities that revitalize or stabilize qualifying geographies. Demographic data also shows that 38.2 percent of the area's families reported low or moderate incomes which suggests a need for activities that benefit projects or organizations that provide a community development purpose targeted to these families; especially, for affordable housing. Opportunities also exist for spurring economic development to support opportunities in the designated Enterprise and Opportunity Zones

CONCLUSIONS ON PERFORMANCE CRITERIA IN GRAND JUNCTION MSA

LENDING TEST

The institution demonstrated a satisfactory record regarding the Lending Test in the Grand Junction MSA. Reasonable geographic loan distribution and borrower profile performance supports this conclusion

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Grand Junction MSA. A reasonable record for small business loans outweighs the excellent record for home mortgage loans supports this conclusion. As noted, examiners weighed small business loan performance heavier when arriving at this conclusion. Examiners afforded more weight to performance in the moderate - income census tracts given the greater lending opportunities in comparison to the nominal lending opportunities in the low-income census, as illustrated by the corresponding demographic data.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Grand Junction MSA. The reasonable level of the lending in the moderate-income census tracts

primarily supports this conclusion. As the following table shows, the institution’s performance in moderate-income census tracts falls within a reasonable range of demographic data, falling 10.7 percentage points below.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	2.1	0	0.0	0	0.0
Moderate	24.0	6	13.3	1,468	14.8
Middle	48.5	29	64.4	6,723	68.1
Upper	25.4	10	22.2	1,685	17.1
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	45	99.9	9,876	100.0

Source: 2022 D&B Data, Bank Records. Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an excellent dispersion throughout the Grand Junction MSA. The excellent level of lending in the moderate-income census tract primarily supports this conclusion. As seen in the following table, the institution’s lending performance in moderate-income census tracts exceeds demographic data by 31.0 percentage points, reflecting excellent performance.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.2	0	0.0	0	0.0
Moderate	25.3	9	56.3	2,801	21.3
Middle	46.6	4	25.0	7,598	57.9
Upper	28.0	3	18.7	2,725	20.8
Not Available	0.0	0	0.0	0	0.0
Total	100.0	16	100.0	13,124	100.0

Source: 2020 U.S. Census, Bank Records. Due to rounding, totals may not equal 100.0 percent.

Borrower Profile

The distribution of borrower’s reflects a reasonable penetration among businesses of different sizes and individuals of different income levels in the Grand Junction MSA. A reasonable performance regarding small business loans outweighs the poor performance regarding home mortgage lending supports this conclusion. As previously noted, examiners placed more weight on the institution’s small business lending when arriving at conclusions as substantial majority of the institution’s home mortgage loans are granted to non-natural individuals for investment purpose and non-owner occupied, limiting the availability of gross income.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Grand Junction MSA. The following table shows that the institution originated just over five out of every ten sampled small business loans to businesses with gross annual revenues of \$1 million or less, reflecting an overall reasonable performance. Additionally, the table shows the institution originated 40.0 percent of the sampled small business loans to businesses with gross annual revenues that are in the two smallest revenue categories, further supporting reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenues					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	73.0	14	31.1	2,839	28.8
\$100,000 - \$249,999	14.2	4	8.9	1,671	16.9
\$250,000 - \$499,999	3.2	1	2.2	21	0.2
\$500,000 - \$1,000,000	1.8	4	8.9	1,100	11.1
Subtotal <= \$1,000,000	92.2	23	51.1	5,631	57.0
>\$1,000,000	2.0	21	46.7	4,185	42.4
Revenue Not Available	5.8	1	2.2	60	0.6
Total	100.0	45	100.0	9,876	100.0

Source: 2022 D&B Data, 2022 Bank Records. Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The distribution of borrowers reflects poor penetration to individuals of different income levels, including low- and moderate-income borrowers. The following table shows the institution’s level of lending to low- and moderate-income borrowers is below demographic data since none of the sampled home mortgage loans are originated to individuals in these income categories. However, the table also reveals that substantial majority (87.5 percent) of the home mortgage loans sampled loans are to non-natural individuals for investment purpose and non-owner occupied. As a result, the borrower income information is not readily available, which heavily skews the institution’s performance. Therefore, examiners afforded less weight when drawing conclusions for this performance factor.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	29.4	0	0.0	0	0.0
Moderate	18.8	0	0.0	0	0.0
Middle	22.3	1	6.2	30	0.2
Upper	39.5	1	6.2	100	0.8
Not Available	0.0	14	87.5	12,994	99.0
Totals	100.0	16	99.9	13,124	100.0

Source: 2020 U.S. Census; 2022 Bank records. Due to rounding, totals may not equal 100.0 percent

COMMUNITY DEVELOPMENT TEST

Timberline Bank demonstrates adequate responsiveness to the community development needs in the Grand Junction MSA through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

Community Development Loans

The institution originated 60 community development loans totaling approximately \$14.5 million in the Grand Junction MSA. This level represents 90.0 percent by dollar of the overall level of community development loans, while the area accounted for 59.4 percent of loans overall. The institution originated all community development loans in 2021 to revitalize or stabilize qualifying geographies, demonstrating responsiveness to an identified need in the assessment area.

The following lists an example of a notable community development loan in the Grand Junction MSA:

- ***Revitalize or Stabilize:*** The institution originated a loan totaling \$9.1 million to construct three 24-unit multi-family apartment complexes. The property is located in a middle-income census tract within a designated Opportunity Zone contiguous with a low-income census tract, thereby stabilizing the adjacent low-income community by providing needed rental units that are not otherwise available in the low-income community.

Qualified Investments

The institution made use of eight qualified investments in the form of donations totaling \$12,750 in the Grand Junction MSA. This level represents 58.9 percent by dollar of the overall level of qualified investments, while the assessment area accounted for 69.6 percent of deposits. The donations proved responsive to identified needs in the assessment area as 87.5 percent by number provided or community services to low- and moderate-income persons and geographies. The remaining 12.5 percent provided for economic development efforts.

The following is an example of a donation in the Grand Junction MSA:

- ***Community Service:*** The institution provided a \$10 thousand donation to an organization that provides services for students in schools where a majority of students qualify for or participate in free or reduced lunch programs, thereby providing community services to low- and moderate-income individuals and families.

Community Development Services

The institution's employees provided four instances of financial expertise or technical assistance to organizations that provide community services to low- and moderate-income students. This level represents 57.1 percent of the overall level of community development services, while the

assessment area accounts for 33.4 percent of offices.

The following lists an example of a notable community development service in the Grand Junction MSA.

- **Community Service:** During the evaluation period, five bank employees provided four financial literacy training sessions, using the FDIC’s Money Smart program, to low- and moderate-income students.

COLORADO NON-MSA AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN COLORADO NON-MSA AA

The combined Colorado Non-MSA AA includes the entirety of Pitkin and Montrose counties in the State of Colorado. This assessment area encompasses 18 census tracts reflecting the following income designations based on 2020 U.S. Census Data: one moderate-, 10 middle-, and 6 upper-income census tracts, and one census tract without an income designation. This assessment area did not change since the prior evaluation, however, there has been changes in demographic data based on 2020 U.S. Census Data that increased the overall total number of census tracts as well as a decrease in the total number of moderate-income census tracts in the assessment area. Lastly, the institution operates two full-service branches within the combined Colorado Non-MSA AA. The following table illustrates select demographic data for the area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0	5.6	55.6	33.3	5.6
Population by Geography	60,037	0.0	3.6	65.2	27.3	3.8
Housing Units by Geography	33,316	0.0	4.5	57.4	33.9	4.2
Owner-Occupied Units by Geography	17,916	0.0	4.7	67.7	25.2	2.4
Occupied Rental Units by Geography	6,991	0.0	2.7	54.1	33.3	9.9
Vacant Units by Geography	8,409	0.0	5.3	38.3	53.1	3.3
Businesses by Geography	16,494	0.0	1.7	39.1	54.2	5.0
Farms by Geography	725	0.0	4.3	56.7	37.1	1.9
Family Distribution by Income Level	16,040	19.6	15.9	24.4	40.0	0.0
Household Distribution by Income Level	24,907	20.4	16.7	19.4	43.5	0.0
Median Family Income Non-MSAs - CO		\$72,390	Median Housing Value			\$462,028
			Median Gross Rent			\$1,168
			Families Below Poverty Level			7.1%

Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0 percent. () The NA category consists of geographies that have not been assigned an income classification.*

According to Colorado Office of Economic Development and International Trade, the following are the largest employers in the combined Colorado Non-MSA AA: Vail Resorts, Freeport-McMoRan, Mayfly Outdoors, and Colorado Yurt. the following table reflects shows annual unemployment rates over the evaluation period according to data obtained from the U.S. Bureau of Labor Statistics.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Pitkin County	6.8	3.4	2.6
Montrose County	5.6	3.4	2.9
State of Colorado	6.4	4.2	3.3
Nationwide	6.7	3.9	3.5

Source: Bureau of Labor Statistics.

Examiners use the applicable Federal Financial Institutions Examination Council’s (FFIEC’s) median family income level to analyze home mortgage loans under the borrower profile performance factor. The following table shows the applicable income ranges based on the 2022 FFIEC-estimated median family income of \$82,500 applicable to the area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Combined Colorado Non-MSA (99999)				
2022 (\$82,500)	<\$41,250	\$41,250 to <\$66,000	\$66,000 to <\$99,000	≥\$99,000

Source: FFIEC

CONCLUSIONS ON PERFORMANCE CRITERIA IN COLORADO NON-MSA AA

LENDING TEST

The institution’s lending performance in the Colorado Non-MSA AA is consistent with the institution’s lending performance in the Grand Junction MSA that were reviewed using full-scope examination procedures.

Geographic Distribution

Small Business Loans

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	1.7	0	0.0	0	0.0
Middle	39.1	3	42.8	1,235	45.8
Upper	54.2	3	42.8	459	17.0
Not Available	5.0	1	14.3	1,000	37.1
Totals	100.0	7	99.9	2,694	99.9
<i>Source: 2022 D&B Data; Bank Records, Due to rounding, totals may not equal 100.0 percent.</i>					

Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	4.7	0	0.0	0	0.0
Middle	67.7	15	71.4	7,702	38.6
Upper	25.2	6	28.6	12,275	61.4
Not Available	2.4	0	0.0	0	0.0
Total	100.0	21	100.0	19,977	100.0
<i>Source: 2020 U.S. Census, Bank Records. Due to rounding, totals may not equal 100.0 percent.</i>					

Borrower Profile

Small Business Loans

Detailed Distribution of Small Business Loans by Gross Annual Revenues					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	74.8	3	42.8	1,437	53.3
\$100,000 - \$249,999	13.5	0	0.0	0	0.0
\$250,000 - \$499,999	3.1	0	0.0	0	0.0
\$500,000 - \$1,000,000	1.8	0	0.0	0	0.0
Subtotal <= \$1,000,000	93.2	3	42.8	1,437	53.3
>\$1,000,000	1.9	2	28.6	1,050	38.9
Revenue Not Available	4.9	2	28.6	207	7.7
Total	100.0	7	100.00	2,694	100.0

Source: 2022 D&B Data, Bank Records. Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	19.6	1	3.1	43	0.1
Moderate	15.9	0	0.0	0	0.0
Middle	24.4	2	6.3	100	0.3
Upper	40.0	14	43.7	17,184	51.0
Not Available	0.0	15	46.9	16,369	48.6
Total	100.0	32	100.0	33,696	100.0

Source: 2020 U.S. Census; Bank Records. Due to rounding, totals may not equal 100.0 percent.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance in the Colorado Non-MSA AA is consistent with the institution's community development performance in the Grand Junction MSA overall. The institution originated 25 community development loans totaling \$1.6 million, which accounted for 9.9 percent of the bank's total community development loans, and provided 3 community development services accounting for 42.9 percent of the overall community development services. The institution did not provide any qualified investments in this assessment area.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

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

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

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

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

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

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

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

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

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

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

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report of Condition

Consolidated domestic subsidiaries of:

Timberline Bank in the state of CO at the close of business on March 31, 2025

Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	9,923
Interest-bearing balances	11,133
Securities:	
Held-to-maturity securities	80,324
Available-for-sale debt securities	34,214
Equity securities with readily determinable fair values not held for trading	0
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases held for investment	590,421
LESS: Allowance for credit losses on loans and leases	7,075
Loans and leases held for investment, net of allowance	583,346
Trading assets	0
Premises and fixed assets (including right-of-use assets)	30,880
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	0
Direct and indirect investments in real estate ventures	0
Intangible assets	0
Other assets	8,697
Total assets	758,517

Dollar Amounts in Thousands

LIABILITIES

Deposits:	
In domestic offices	703,189
Noninterest-bearing	86,277
Interest-bearing	616,912
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money (includes mortgage indebtedness)	0

Report of Condition (continued)

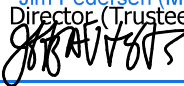
Subordinated notes and debentures	0
Other liabilities	1,969
Total liabilities	705,158

Dollar Amounts in Thousands

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	50
Surplus (exclude all surplus related to preferred stock)	40,067
Retained earnings	23,888
Accumulated other comprehensive income	-10,646
Other equity capital components	0
Total bank equity capital	53,359
Noncontrolling (minority) interests in consolidated subsidiaries	0
Total equity capital	53,359
Total liabilities and equity capital	758,517

We, the undersigned directors (trustees), attest to the correctness of this Report of Condition for this report date and declare that the Report of Condition has been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

Jim Pedersen
Jim Pedersen (Mar 24, 2026 14:36:59 MDT)
 Director (Trustee)

Jeff Taets (Mar 24, 2026 17:24:42 MDT)
 Director (Trustee)

Michael T. Taets
Michael T. Taets (Mar 25, 2026 10:36:54 MDT)
 Director (Trustee)

I, Jim Pedersen (CFO) of the named bank, attest that this Report of Condition for this report date has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

Jim Pedersen
Jim Pedersen (Mar 24, 2026 14:36:59 MDT)
 Signature of Chief Financial Officer (or Equivalent)

03/24/2026
 Date of Signature

Report of Condition

Consolidated domestic subsidiaries of:
Timberline Bank in the state of CO at the close of business on June 30, 2025

Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	10,717
Interest-bearing balances	15,056
Securities:	
Held-to-maturity securities	80,704
Available-for-sale debt securities	31,370
Equity securities with readily determinable fair values not held for trading	0
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases held for investment	610,889
LESS: Allowance for credit losses on loans and leases	7,386
Loans and leases held for investment, net of allowance	603,503
Trading assets	0
Premises and fixed assets (including right-of-use assets)	30,601
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	0
Direct and indirect investments in real estate ventures	0
Intangible assets	0
Other assets	11,905
Total assets	783,856

Dollar Amounts in Thousands

LIABILITIES

Deposits:	
In domestic offices	655,407
Noninterest-bearing	86,662
Interest-bearing	568,745
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money (includes mortgage indebtedness)	69,911
Subordinated notes and debentures	0

Report of Condition (continued)

Other liabilities	2,958
Total liabilities	728,281

Dollar Amounts in Thousands

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	50
Surplus (exclude all surplus related to preferred stock)	40,067
Retained earnings	25,637
Accumulated other comprehensive income	-10,174
Other equity capital components	0
Total bank equity capital	55,580
Noncontrolling (minority) interests in consolidated subsidiaries	0
Total equity capital	55,580
Total liabilities and equity capital	78,856

We, the undersigned directors (trustees), attest to the correctness of this Report of Condition for this report date and declare that the Report of Condition has been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

Jim Pedersen

Jim Pedersen (Jul 31, 2025 10:57:20 MDT)

Director (Trustee)

Michael T. Taets

Michael T. Taets (Aug 13, 2025 16:21:24 MDT)

Director (Trustee)

Jeff Taets

Jeff Taets (Aug 11, 2025 08:18:12 MDT)

Director (Trustee)

I, Jim Pedersen (CFO) of the named bank, attest that this Report of Condition for this report date has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

Jim Pedersen

Jim Pedersen (Jul 31, 2025 10:57:20 MDT)

Signature of Chief Financial Officer (or Equivalent)

Select...

Date of Signature

Report of Condition

Consolidated domestic subsidiaries of:

Timberline Bank in the state of CO at the close of business on September 30, 2025

Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	9,167
Interest-bearing balances	16,914
Securities:	
Held-to-maturity securities	81,079
Available-for-sale debt securities	29,007
Equity securities with readily determinable fair values not held for trading	0
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases held for investment	611,630
LESS: Allowance for credit losses on loans and leases	7,385
Loans and leases held for investment, net of allowance	604,245
Trading assets	0
Premises and fixed assets (including right-of-use assets)	30,980
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	0
Direct and indirect investments in real estate ventures	0
Intangible assets	0
Other assets	10,097
Total assets	781,489

Dollar Amounts in Thousands

LIABILITIES

Deposits:	
In domestic offices	681,855
Noninterest-bearing	87,096
Interest-bearing	594,759
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money (includes mortgage indebtedness)	38,791
Subordinated notes and debentures	0

Report of Condition (continued)

Other liabilities	3,38
Total liabilities	723,964

Dollar Amounts in Thousands

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	50
Surplus (exclude all surplus related to preferred stock)	40,067
Retained earnings	2710
Accumulated other comprehensive income	-9,692
Other equity capital components	0
Total bank equity capital	57525
Noncontrolling (minority) interests in consolidated subsidiaries	0
Total equity capital	57525
Total liabilities and equity capital	781489

We, the undersigned directors (trustees), attest to the correctness of this Report of Condition for this report date and declare that the Report of Condition has been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

Jim Pedersen

[Jim Pedersen \(Nov 14, 2025 12:17:22 MST\)](#)

Director (Trustee)

Jeff Taets

[Jeff Taets \(Nov 24, 2025 08:26:13 MST\)](#)

Director (Trustee)

Michael T. Taets

[Michael T. Taets \(Nov 14, 2025 16:53:46 MST\)](#)

Director (Trustee)

I, Jim Pedersen (CFO) of the named bank, attest that this Report of Condition for this report date has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

Jim Pedersen

[Jim Pedersen \(Nov 14, 2025 12:17:22 MST\)](#)

Signature of Chief Financial Officer (or Equivalent)

11/14/2025

Date of Signature

Report of Condition

Consolidated domestic subsidiaries of:

Timberline Bank in the state of CO at the close of business on December 31, 2025

Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:

Noninterest-bearing balances and currency and coin	7,440
Interest-bearing balances	27,498

Securities:

Held-to-maturity securities	75,464
Available-for-sale debt securities	27,647
Equity securities with readily determinable fair values not held for trading	0

Federal funds sold and securities purchased under agreements to resell:

Federal funds sold	0
Securities purchased under agreements to resell	0

Loans and lease financing receivables:

Loans and leases held for sale	0
Loans and leases held for investment	627,874
LESS: Allowance for credit losses on loans and leases	7,496
Loans and leases held for investment, net of allowance	620,378

Trading assets

0

Premises and fixed assets (including right-of-use assets)

30,994

Other real estate owned

0

Investments in unconsolidated subsidiaries and associated companies

0

Direct and indirect investments in real estate ventures

0

Intangible assets

0

Other assets

30,060

Total assets

819,481

Dollar Amounts in Thousands

LIABILITIES

Deposits:

In domestic offices	689,496
Noninterest-bearing	83,955
Interest-bearing	605,541

Federal funds purchased and securities sold under agreements to repurchase:

Federal funds purchased	0
Securities sold under agreements to repurchase	0

Trading liabilities

0

Other borrowed money (includes mortgage indebtedness)

65,581

Subordinated notes and debentures

0

Report of Condition (continued)

Other liabilities	4,716
Total liabilities	759,793

Dollar Amounts in Thousands

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	50
Surplus (exclude all surplus related to preferred stock)	40,073
Retained earnings	28,795
Accumulated other comprehensive income	-9,230
Other equity capital components	0
Total bank equity capital	59,688
Noncontrolling (minority) interests in consolidated subsidiaries	0
Total equity capital	59,688
Total liabilities and equity capital	819,481

We, the undersigned directors (trustees), attest to the correctness of this Report of Condition for this report date and declare that the Report of Condition has been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.




[Jeff Taets \(Jan 29, 2026 15:32:10 MST\)](#)

Director (Trustee)



[Jim Pedersen \(Jan 29, 2026 15:24:16 MST\)](#)

Director (Trustee)



[Michael T. Taets \(Jan 29, 2026 15:49:51 MST\)](#)

Director (Trustee)

I, Jim Pedersen (CFO) of the named bank, attest that this Report of Condition for this report date has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.



[Jim Pedersen \(Jan 29, 2026 15:24:16 MST\)](#)

Signature of Chief Financial Officer (or Equivalent)

01/29/2026

Date of Signature



LOAN TO DEPOSIT RATIOS

March 31, 2021	82.47%
June 30, 2021	76.64%
September 30, 2021	64.95%
December 31, 2021	71.15%
March 31, 2022	74.45%
June 30, 2022	80.84%
September 30, 2022	82.58%
December 31, 2022	80.86%
March 31, 2023	81.68%
June 30, 2023	79.76%
September 30, 2023	80.46%
December 31, 2023	82.45%
March 31, 2024	78.93%
June 30, 2024	79.83%
September 30, 2024	78.26%
December 31, 2024	77.87%
March 31, 2025	83.96%
June 30, 2025	93.21%
September 30, 2025	89.70%
December 31, 2025	91.06%

BRANCHES

Timberline Bank – Grand Junction – Opened October 25, 2004

Timberline Bank – Aspen – Opened October 25, 2004

Timberline Bank – Montrose – Opened July 17, 2006

Timberline Bank
HMDA Institution Register
Summary Report

HMMA: INSTITUTION REGISTER SUMMARY REPORT

TIMBERLINE BANK

Reporting Period: 01/01/2025 to 12/31/2025

Last Action Date: 12/19/2025

Report Filters: Filter details at End of Report

State: Colorado				Loan Type				Construction Method			Loan Purpose		
MA/MD	MA/MD Name	Total LARs	Total Amt (\$000)	CONV	FHA	VA	FSA_RHS	Site Built	MFG	Total Units	Purchase	Home Improvement	Refinance; Cash-out Refinance
19740	DENVER-AURORA-CENTENNIA CO	2	1,720	2	0	0	0	2	0	2	2	0	0
24300	GRAND JUNCTION, CO	33	19,155	33	0	0	0	32	1	37	10	4	18
State: Wyoming				Loan Type				Construction Method			Loan Purpose		
MA/MD	MA/MD Name	Total LARs	Total Amt (\$000)	CONV	FHA	VA	FSA_RHS	Site Built	MFG	Total Units	Purchase	Home Improvement	Refinance; Cash-out Refinance
	Tract without an MA	1	75	1	0	0	0	1	0	1	1	0	0
Grand Total:		78	73,010	78	0	0	0	76	2	82	42	5	30

* The Loan Amount data is based on the CFPB Public Loan-Level data to disclose the midpoint for the \$10,000 interval into which the reported value falls.

HMDA: INSTITUTION REGISTER SUMMARY REPORT

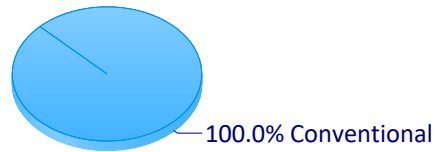
TIMBERLINE BANK

Reporting Period: 01/01/2025 to 12/31/2025

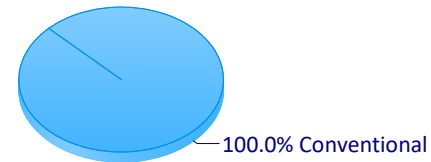
Last Action Date: 12/19/2025

Report Filters: Filter details at End of Report

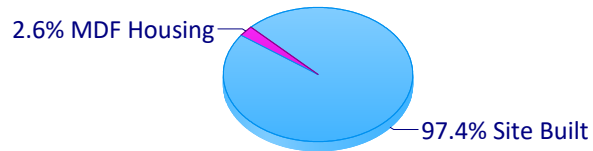
Total Count by Loan Type



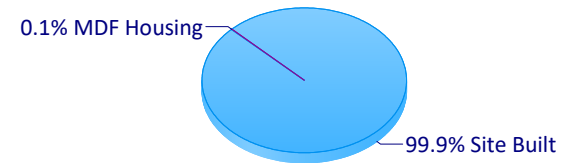
Total Amount by Loan Type



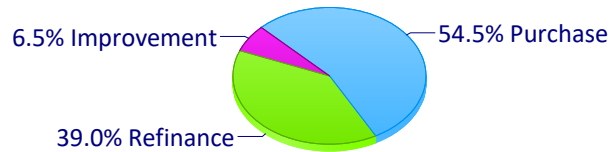
Total Count by Construction Method



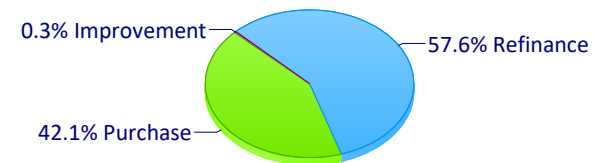
Total Amount by Construction Method



Total Count by Loan Purpose



Total Amount by Loan Purpose



HMDA: INSTITUTION REGISTER SUMMARY REPORT

TIMBERLINE BANK

Reporting Period: 01/01/2025 to 12/31/2025

Last Action Date: 12/19/2025

Report Filters: Filter details at End of Report

Top 10 MA's				Loan Type				Construction Method			Loan Purpose		
MA/MD	MA/MD Name	Total LARs	Total Amt (\$000)	CONV	FHA	VA	FSA_RHS	Site Built	MFG	Total Units	Purchase	Home Improvement	Refinance
	Colorado Tracts without an MA	42	52,060	42	0	0	0	41	1	42	29	1	12
24300	GRAND JUNCTION, CO	33	19,155	33	0	0	0	32	1	37	10	4	18
19740	DENVER-AURORA-CENTENNIA CO	2	1,720	2	0	0	0	2	0	2	2	0	0
	Wyoming Tracts without an MA	1	75	1	0	0	0	1	0	1	1	0	0

Report Filter: DATE RANGE: 01/01/2025 - 12/31/2025; for Submitted Records

* The Loan Amount data is based on the CFPB Public Loan-Level data to disclose the midpoint for the \$10,000 interval into which the reported value falls.



1120 Lincoln Street, Suite 701
Denver, Colorado 80203
coltaf.org | 303.863.7221

February 24, 2026

RE: 2025 Community Reinvestment Act (CRA) Acknowledgement – COLTAF Prime Partner Participation

Dear CRA Compliance Officer:

On behalf of the Colorado Lawyer Trust Account Foundation (COLTAF), thank you for Timberline Bank's continued participation as a COLTAF Prime Partner. As a reminder, COLTAF is a statewide nonprofit program created by Colorado court rule to generate funding for civil legal services for low-income Coloradans.

CRA Relevance and Community Impact

Interest earned on COLTAF trust accounts is used primarily to make grants to nonprofit organizations providing civil legal assistance to individuals and families at or below 200% of the federal poverty guidelines—a population that falls well within the CRA's focus on low- and moderate-income communities. These services directly support household stability and financial well-being by helping people address legal issues that impact core economic security, including: housing, consumer finance, family law, elder care, domestic violence, access to health care and education, employment, and income maintenance.

By improving stability and helping Coloradans avoid housing displacement, resolve debt and consumer issues, and maintain employment and access to benefits, COLTAF-funded services are closely aligned with the CRA's community development objectives and the goal of strengthening the economic health of the communities your institution serves.

Prime Partner Support and 2025 Contribution

As a COLTAF Prime Partner, Timberline Bank supports this work by voluntarily paying preferred interest rates on COLTAF trust accounts. In 2025, Timberline Bank maintained 21 COLTAF trust accounts and contributed over **\$45,676** in interest to support essential civil legal aid for low-income Coloradans.

The services funded through COLTAF promote stability, foster opportunity, and help strengthen communities across Colorado—including the communities served by «Bank». Your participation demonstrates meaningful leadership and a clear commitment to meeting the needs of your assessment areas.

Please include this letter in Timberline Bank's CRA file for consideration of CRA investment and service credit related to your Prime Partner participation and the interest paid on COLTAF trust accounts. On behalf of the low-income Coloradans who have a brighter, more secure financial future because of your bank's support, thank you!

Sincerely,

Jordan Bates-Rogers
Executive Director
Colorado Lawyer Trust Account Foundation
jordan@legalaidfoundation.org

Public Written Comments



529 ½ Rd. Suite B-103
Grand Junction, CO 81505
Phone: 970.234.3519

Email: kim@fosteralumnimentors.org
Website: www.fosteralumnimentors.org

2025 - Statement of Giving

January 16, 2026

Timberline Bank
649 Market St
Grand Junction, CO 81505

Dear Friends at Timberline Bank,

Thank you for your generous support of Foster Alumni Mentors in 2025. We're truly grateful for every contribution we receive, and your giving helped make our work possible throughout the year.

This statement is provided to assist you and your advisors with tax preparation for 2025. Our records indicate that you personally contributed a total of \$250 between January 1 and December 31, 2025. We deeply appreciate your partnership and the impact your generosity helps create.

Your contribution may be deductible for income tax purposes. Please check with your tax preparer and/or accountant to ensure proper treatment, especially as the rules may have changed.

With sincere thanks,

Kimberly Raff
Foster Alumni Mentors

We are a 501(c)(3) charitable organization under IRS regulations. No goods or services were provided in exchange for these gifts. Please note that this giving summary does not include any IRA distributions or contributions made through third parties such as family foundations or donor-advised funds.

Itemized list of your gift(s) in 2025:

<u>Date</u>	<u>Amount</u>
3/26/25	\$250

Foster Alumni Mentors is a non-profit organization under section 501(c)3 of the Internal Revenue Code.

Qualified donations are tax deductible.

Tax ID: 82-4045594



Louise Goodman
Timberline Bank
649 Market St
Grand Jct, CO 81505-4300

Dear Louise,

On behalf of the Grand Junction Area Chamber of Commerce, we would like to thank you for your donation of Timberline/Chamber YETI Cooler, Two YETI Mugs, Bottle of 291 Colorado Bourbon Whiskey for the auction at our Annual Banquet on Feb 27th, 2026.

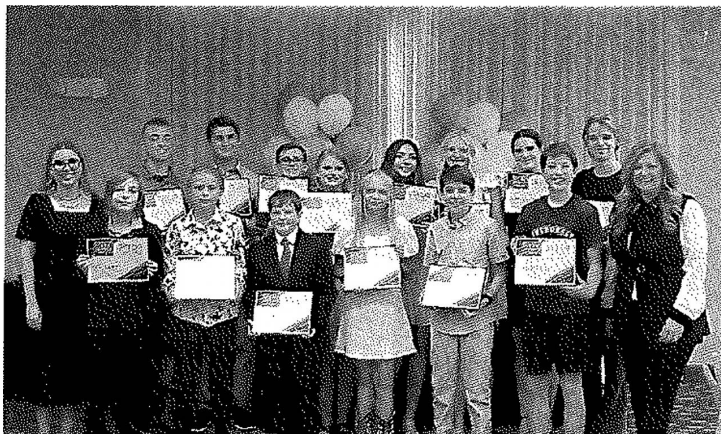
The funds that we receive from our auction are used to support our Young Entrepreneurs Academy and Mesa County Leadership Program. These programs are crucial to the development and growth of our workforce and wouldn't be possible without your donations to this auction.

Please keep this written acknowledgement of your donation for your tax records. The Grand Junction Area Chamber of Commerce is a 501(c)(6) non-profit organization. Our Tax ID is 84-0215575.

Thank you again for your continued support!

With much appreciation,

Destiny Emert
Director of Program Development
Grand Junction Area Chamber of Commerce
360 Grand Ave, Grand Junction, CO 81501
www.gjchamber.org



2025 YEA! Class



2025 Mesa County Leadership Class

Dear Jim + Louise,
(Timberline
Bank)

Thank you for
your generous
underwriting support
of the 2026 Hopefest
gala. Your
leadership and
commitment help
make our mission
possible.

We truly
appreciate your
generosity!

With sincere
appreciation,
Dance Silva
President + CEO
Hopefest



Community, Quality & Positivity Thru The Arts

& COMPANY
Grand Junction, CO
info@andcompanyco.com
www.andcompanyco.com

February 4, 2026

Louise Goodman
Grand Junction Branch President
Timberline Bank
649 Market Street
Grand Junction, CO 81505

Dear Ms. Goodman:

Please accept our deepest appreciation for your donation to support &Company's 2026 summer musical production of *42nd Street*. We could not be successful without generous donors like you. Our volunteers will perform over a two week period in late July and expect to reach some 800+ people in the Grand Valley.

Each year we open dress rehearsal to audience members who make a donation to a local non-profit. These have included D51 Stuff the Bus, Roice Hurst, and Food Bank of the Rockies. Helping to support our community while entertaining people from the local Grand Valley is both a pleasure and an honor in keeping with our mission statement to support the community with quality and positivity through the Arts.

As a nonprofit organization, we strive to support performers in Western Colorado and continue our calling to bring people of all ages, genders, and ethnicities together through a love of dance, song, and the performing arts.

Thank you again for your donation of \$100. We sincerely appreciate your willingness to support &Company and the performance art community of the Grand Valley.

With the deepest appreciation,

Lana Rogal

Director
&Company

Suzanne Owens-Off

Treasurer
&Company



Timberline Bank

,

Dear Timberline Bank,

As the year comes to a close, the Grand Junction Symphony Orchestra sincerely thanks you for your generous support. Your contributions play a vital role in sustaining the artistic excellence and community impact of the Symphony.

Through your generosity, we are able to present high-quality orchestral performances, engage outstanding musicians and guest artists, and expand educational and outreach programs that serve audiences throughout Western Colorado. Your commitment helps ensure that orchestral music remains an accessible and enriching part of our region's cultural landscape.

Your Total Contributions for 2025:\$1,785.00

As we look ahead to the coming year, we remain committed to artistic excellence and meaningful community engagement. Thank you for your continued investment in the future of the Grand Junction Symphony Orchestra.

With sincere appreciation,

Andrew Price
Executive Director
Grand Junction Symphony Orchestra

The Grand Junction Symphony Orchestra is a charitable tax-exempt organization as described under Section 501 (c) (3) of the IRS Code, donations to which may be tax-deductible. No goods or services were provided in exchange for your donation. Grand Junction Symphony Orchestra's Federal EIN #:84-0759502

970.243.6787 • GJSO.ORG • 412 MAIN STREET

Hello Carly, Kelli, and Committee,

On behalf of the people we serve in our community,
I am honored to extend our deepest gratitude
for your donation to Mosaic in Western Colorado.

Our Partners in Possibilities fundraising event on
May 13th will be a success with your support!

As always, I would cherish an opportunity to share
more about Mosaic and what we do to change
people's lives. Please contact me if you would
like to know more.

In service,
Chuck



65+ YEARS OF
IMPACT

February 3, 2026

Timberline Bank
633 24 Rd
Grand Junction, CO 81505

Dear Friends at Timberline Bank,

On behalf of everyone at United Way of Mesa County, I want to extend our most heartfelt thanks for your generous support. Your contribution is not just a gift — it is a powerful statement that you believe in a better future for our community. We are deeply grateful for your commitment to creating lasting, positive change right here at home. At United Way of Mesa County, we know that no single organization or person can solve complex community issues alone. That's why your support means so much. By giving, you've become an essential part of a united effort to address the root causes of our most pressing local challenges — from health access to education, financial security, homelessness, and hunger.

Your generosity fuels programs that are making a real difference in the lives of individuals and families across Mesa County. This past year alone, thanks to donors like you, we've been able to invest in over 25 local nonprofit programs that provide essential services to thousands of people. Whether it's a parent securing food for their family, a child being connected with an advocate, or an adult reaching their education goals, your impact is felt every day.

One of the things that makes United Way of Mesa County unique is our local focus. Every dollar you contribute stays in Mesa County, directly supporting programs that are evaluated for effectiveness and impact. This means your donation goes where it's needed most — and truly makes a difference.

We also want you to know that your support builds more than programs — it builds hope. It tells our neighbors in need that they are not alone, that someone believes in them, and that together, we can build a stronger, more connected community.

Thank you for choosing to Live United. We are honored to have you as a partner in this work, and we look forward to continuing this journey with you as we build a brighter future for all.

With deepest appreciation,

A handwritten signature in cursive script that reads "Faith Rodriguez".

Faith Rodriguez
Executive Director
United Way of Mesa County

2025 FY

Sponsorship Amount: \$100.00 | Date Received: 12/30/2025 | Type: Special Events: Unite The Night

P.O. Box 153 | Grand Junction, Colorado 81502 | 970.243.5364 | www.unitedwaymesacounty.org

Thank you very much for your generous support. Your contribution has give me the opportunity to participate in an important engineering program that brings me closer to my academic and career goals

I truly appreciate your investment in my education and your belief in students like me. This support motivates me to work hard and make the most of this opportunity

Sincerely,
Vinny B

...for simply
everything.