



## Community Banking at it's finest.

### **CASH MANAGEMENT TOOLS FOR EVERY BUSINESS SIZE**

Cache Valley Bank has the resources to help you manage your business's cash flow. Everything from checking & savings accounts to ACH and wire capabilities. Our top of the line mobile app will keep you connected to your business wherever you are.

### **LOANS TAILORED TO MEET YOUR BUSINESS NEEDS**

As a bank built by entrepreneurs, we take an entrepreneurial approach in our lending. Our capable loan officers will work with you to craft a solution for your financing needs: real estate, equipment, operating lines, whatever financing you need we can provide.

# Discover Cache Valley Bank

101 N Main St  
Logan, UT 84341

[www.cachevalleybank.com](http://www.cachevalleybank.com)  
Member FDIC

**CACHE VALLEY  
BANK**

# **PUBLIC DISCLOSURE**

January 14, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Cache Valley Bank  
Certificate Number: 22134

101 North Main Street  
Logan, Utah 84321

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

25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, California 94105

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

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## INSTITUTION RATING

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

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

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			
<i>*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i>			

**The Lending Test is rated High Satisfactory.**

Lending levels reflect adequate responsiveness to assessment area (AA) credit needs and an adequate percentage of loans are made in the institution’s AAs. The geographic distribution of loans reflects adequate penetration throughout the AA, the distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different revenue sizes. Cache Valley Bank (CVB) makes extensive use of innovative of flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income (LMI) individuals or geographies, and made a relatively high level of community development (CD) loans.

**The Investment Test is rated High Satisfactory.**

CVB has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The bank’s qualified investments exhibit adequate responsiveness to credit and CD needs, and makes significant use of innovative and/or complex investments to support CD initiatives.

**The Service Test is rated Low Satisfactory.**

Delivery systems are accessible to essentially all portions of the institution’s AAs. To the extent changes have been made, the institutions opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or individuals. Also, CVB provides an adequate level of CD services to the AAs.

## DESCRIPTION OF INSTITUTION

CVB, headquartered in Logan, Utah, is a wholly owned subsidiary of Cache Valley Banking Company. The institution did not have any merger or acquisition activity since the prior evaluation and does not have any subsidiaries or affiliates; thus, all data presented in this evaluation is provided directly by CVB. The institution received a Satisfactory rating at the previous CRA Performance Evaluation dated May 13, 2019, using Interagency Intermediate Small Institution Examination Procedures.

CVB operates 21 full-service branches throughout Utah and Southern Idaho; of those, 5 are new since the prior evaluation and no branches were closed during the evaluation period. While the bank remains primarily focused on commercial lending, CVB also originates a limited amount of agricultural, consumer, and residential real estate loans. Deposit services include traditional personal and business checking and savings accounts, as well as personal money market, individual retirement accounts, and certificates of deposits.

CVB's assets totaled \$2.9 billion as of September 30, 2021, including \$1.8 billion in total loans and \$23.7 million in total securities. Deposits as of the same date totaled \$2.3 billion. Assets at the prior evaluation was \$1.3 billion. The significant increase in assets at this evaluation was primarily due to CVB's participation in the Small Business Association's (SBA) Paycheck Protection Program (PPP); the institution originated \$834.2 million PPP loans in 2020, and \$122.5 in PPP loans in 2021. Additionally, deposits surged 96.0 percent from the last evaluation due to economic relief payouts relating to COVID-19 in 2020 and 2021, as well as CVB's purchase of \$204.0 million in brokered deposits in late 2021. The distribution of CVB's loan portfolio demonstrates CVB continued focused on real estate lending; see the following table.

<b>Loan Portfolio Distribution as of 9/30/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	298,027	16.4
Secured by Farmland	87,285	4.8
Secured by 1-4 Family Residential Properties	143,731	7.9
Secured by Multifamily (5 or more) Residential Properties	18,477	1.0
Secured by Nonfarm Nonresidential Properties	655,963	36.0
<b>Total Real Estate Loans</b>	<b>1,203,483</b>	<b>66.1</b>
Commercial and Industrial Loans	588,136	32.3
Agricultural Production and Other Loans to Farmers	46,352	2.5
Consumer Loans	7,361	0.4
Obligations of State and Political Subdivisions in the U.S.	1,567	0.1
Other Loans	182	0.0
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	25,230	1.4
<b>Total Loans</b>	<b>1,821,851</b>	<b>100.0</b>
<i>Source: FDIC Reports of Condition and Income</i>		

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

## DESCRIPTION OF ASSESSMENT AREAS

CVB’s AA is delineated into four areas as follows:

Assessment Area	Counties in Assessment Area
Logan MSA*	Cache County
Salt Lake City-Provo-Orem CSA	Davis County, Weber County, Juab County
St. George MSA	Washington County
Non-MSA AA	Carbon County, Sanpete County, Wayne County
<i>*In January 2022, Franklin County, Idaho was added to AA, which will result in a Multistate MSA at future evaluations.</i>	

The Salt Lake City (SLC)-Provo-Orem CSA was divided into the Ogden-Clearfield and Provo-Orem MSAs and reviewed and presented separately at the prior evaluation. However, as performance between the MSAs was relatively consistent over the review period, the MSAs were combined into the SLC-Provo-Orem CSA for presentation throughout this performance evaluation.

CVB opened a branch in Ogden, Utah, on January 16, 2020, which resulted in Weber County being added to the AA in January 2020. Also, the bank recently opened a branch in Preston, Idaho, on November 23, 2021, which resulted in Franklin County being added to the AA in January 2022. However, Franklin County was not included in this evaluation as no material CRA related activities were conducted in this county. Refer to individual AAs for additional details.