



OREGON
BANCORP

ANNUAL REPORT

BOARD OF DIRECTORS

Joseph J. Minniti
Board Chair
Minniti & Company, P.C.

Neil D. Grossnicklaus
Board Vice Chair, Past President
Willamette Valley Bank

Jay C. Compton
President
J.C. Compton Co.

Douglas L. Zielinski
Owner
Alpha Nursery, Inc.

Matthew J. Fitzmaurice
Former President
Fitzmaurice Fertilizer, Inc

Bill McCall
Former President
Windsor Rock Products

Denise Schott
President
Schott Parts & Accessories, LLC

Craig Hummel
Former Chief Credit Officer
Willamette Valley Bank

George W. Patterson
Retired President
Action Marketing

Ryan Dempster
President, CEO
Willamette Valley Bank

EXECUTIVE OFFICERS

Ryan Dempster
President
Chief Executive Officer

Eric Gerhart
Executive Vice President
Chief Lending Officer

Dan King
Executive Vice President
Residential Lending

Dave DeSemples
Senior Vice President
Chief Banking Officer

Nichoel Casey
Executive Vice President
General Counsel
Chief Administrative Officer

David Gonzales
Senior Vice President
Chief Financial Officer

MISSION STATEMENT

Willamette Valley Bank will be the preferred provider of targeted financial services in our communities. We will continually strengthen our relationships by providing personalized solutions that combine local expertise and flexibility. We will deliver extraordinary client and employee experiences through delivering value, stability, and prosperity to the communities in which we serve.

TO OUR SHAREHOLDERS

We are proud to report that 2020 was another great year for Oregon Bancorp, Inc. (Company) and its wholly owned subsidiary, Willamette Valley Bank. Despite encountering an economy that was significantly impacted by the effects of the Covid-19 pandemic, we increased commercial and residential lending and expanded deposits in addition to posting our sixth consecutive year of record earnings.

The Company's assets grew \$126.4 million, or 47%, during the year as a result of significant increases in Bank deposits. Bank deposits increased \$46.8 million, or 21%, during the year. Lower cost checking and savings account balances grew \$75.6 million, or 63%, while higher cost certificates of deposit decreased \$28.8 million, or 29%. This refinement of our deposit composition aided in reducing our cost of interest-bearing deposits from 1.30% in 2019 to 0.81% in 2020.

Commercial loan balances increased \$41.5 million, or 23%, during the year. \$20.6 million of this growth was related to the Company's participation in the US Small Business Administration Paycheck Protection Program. Participation in this program resulted in an injection of \$25.9 million of much needed cash and capital into the hands of small businesses throughout the Willamette Valley and helped preserve as many as 2,976 jobs. Overall, loan quality remains good despite the severe economic toll created by the pandemic. Non-current loans as a percentage of total loans measured 0.14% at year end and non-performing assets were 0.21% of total assets at December 31, 2020.

The markets we serve throughout the Northwest continue to grow and expand and we have been well positioned to meet the needs of home owners. With the historically low interest rate environment in place, we experienced tremendous growth in residential lending during the year. Total annual residential loan volume increased \$619 million to \$1.6 billion in 2020, an increase of 73% compared to the prior year. Although the low interest rates led to an increase in home refinancing activity, loans made to finance the purchase of homes remained strong and accounted for 47% of overall volume during the year.

Annual net income for the Company increased from \$11.5 million in 2019 to \$28.3 million in 2020, or 146%. This led to an increase in dilutive earnings per share from \$5.00 in 2019 to \$12.01 in 2020. Return on average assets reached 8.55% and return on average equity was 60.72%. These are all record financial metrics for our Company and compare favorably among our national peer group.

Strong earnings enabled the Company to announce its fifth consecutive annual special dividend of \$3.50 per common share in February 2021. This represents a \$2.00 increase over the special dividend paid last year. During the year we increased our quarterly cash dividend 136% to \$0.26 per share and extended our string of consecutive quarterly cash dividends to 18.

We were recognized by several organizations for our financial success which included being named the most profitable community bank for the second consecutive year by the American Bankers' Association based on a return on average equity over the prior three years. Our team of dedicated and professional employees are the key to our success, and we are appreciative of their contributions to enhancing the value of our Company.

We celebrated our 20th year of serving the Northwest in October. A lot has changed over the last two decades, but we remain steadfast in our commitment to our customers, shareholders and partners. I encourage you to view the video we developed to commemorate this milestone at wvbk.com/20years. We look forward to many more years of growth and success and appreciate your past, present and future support of our Company.



Ryan K. Dempster
President and Chief Executive Officer



Joseph J. Minniti
Chairman of the Board

Oregon Bancorp, Inc. and Subsidiary

Unaudited Consolidated Balance Sheets

Period Ending December 31

	2020	2019
ASSETS		
Cash and Due from Banks	\$ 27,875,749	\$ 17,613,486
Loans Held - For Sale	125,738,282	58,751,727
Loans, Net of Allowance for Loan Losses	220,948,190	179,447,384
Premises and Equipment, Net	3,120,194	2,957,069
Other Real Estate Owned	-	-
Other Assets	18,206,839	10,712,098
Total Assets	\$ 395,889,254	\$ 269,481,764
LIABILITIES		
Total Deposits	\$ 268,687,425	\$ 221,839,368
Borrowings	48,500,316	840,924
Other Liabilities	15,972,396	8,405,849
Total Liabilities	\$ 333,160,137	\$ 231,086,140
SHAREHOLDERS' EQUITY		
Total Liabilities and Shareholders' Equity	\$ 395,889,254	\$ 269,481,762

Unaudited Consolidated Statements of Operations

Years Ended December 31

	2020	2019
Interest Income	\$ 13,570,988	\$ 12,134,009
Interest Expense	1,903,012	2,376,925
Net Interest Income Before Provision for Loan Losses	11,667,976	9,757,081
Provision for Loan Losses	657,321	328,000
Net Interest Income After Provision for Loan Losses	11,010,655	9,429,081
Non-interest Income	89,722,585	45,825,314
Non-interest Expense	62,771,333	39,888,087
Income Before Provision for Income Taxes	37,961,907	15,366,318
Provision for Income Taxes	9,670,191	3,859,118
Net Income	\$ 28,291,716	\$ 11,507,190

Audited Financial statements available at wvbk.com

Certain statements in this letter may constitute forward-looking statements within the definition of the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on reasonable assumptions by the Bank’s management within its current knowledge of the Bank’s business and operations. These forward-looking statements are subject to significant risks and uncertainties which could cause actual results to differ materially from those set forth in such statements. Readers are cautioned not to place undue reliance on forward-looking statements.

HOME LOAN CENTERS

OREGON

Bend

121 NW Greenwood Ave, Ste 103
Bend, OR 97701

Medford South

611 Medford Center Dr
Medford, OR 97504

Eugene

3007 N Delta, Ste 205
Eugene, OR 97408

Tualatin

18662 SW Boones Ferry Rd
Tualatin, OR 97062

Grants Pass

550 SW 6th Street, Ste A
Grants Pass, OR 97526

West Linn

1914 Willamette Falls Dr, Ste 160
West Linn, OR 97068

Medford North

4021 Crater Lake Ave, Ste 201B
Medford, OR 97504

IDAHO

Coeur d'Alene

704 Sherman Ave
Coeur d'Alene, ID 83814

Coeur d'Alene North

3931 N Schreiber Way
Coeur d'Alene, ID 83815

Meridian

3597 E Monarch Sky Ln, Ste 320
Meridian, ID 83646

WASHINGTON

Newport

405 W. Walnut Street, Ste 1
Newport, WA 99156

Spokane

110 N Post Street
Spokane, WA 99201

Vancouver

821 SE 160th Ave
Vancouver, WA 98683

Yakima

402 E Yakima Ave, Ste 1060
Yakima, WA 98683

BANK BRANCHES

OREGON

Salem

101 High St NE
Salem, OR 97301

Albany

1970 SE 14th Ave
Albany, OR 97322

Keizer

5140 River Rd N
Keizer, OR 97303

Silverton

701A McClaine St
Silverton, OR 97381

Willamette Valley Bank
Your LOCAL Bank





Willamette Valley Bank

Member FDIC.  Equal Housing Lender. NMLS# 713109