

To Our Shareholders

June 30, 2020

I am very pleased to report that Oregon Bancorp, Inc. (Company) completed another successful quarter and is reporting new record totals for earnings, deposits and commercial and residential lending as of June 30, 2020.

Quarterly earnings reached \$7,504,322, an increase of 4,151,585, or 124%, from the second quarter of 2019. This results in a quarterly return on average assets of 9.07% and a quarterly return on average equity of 73.01%.

Customer deposit totals increased \$29 million, or 19%, during the quarter. These deposits were used to fund significant increases in commercial and residential loans during the quarter. Commercial loans increased \$42 million, or 22%, during the quarter. Part of this growth is related to the Company's participation in the Paycheck Protection Program established under the CARES Act. During the year we have helped over 220 businesses and distributed \$25 million in funding to help keep companies in business and retain jobs for approximately 2,974 employees.

Residential mortgage lending increased from \$245 million during the second quarter of 2019 to \$430 million during the second quarter of 2020. We are proud to have helped 1,605 households during the quarter either purchase their dream home or lower their mortgage payments by refinancing their existing home loan.

The Board of Directors declared a \$0.11 per share quarterly dividend that was paid July 15, 2020. Capital growth through retained earnings continued as our Tier 1 capital ratio remains strong at 12.66%.

I would welcome the opportunity to connect with each of you individually to share more about the exciting things happening at Willamette Valley Bank. Please feel free to contact me anytime at (503)485-2222. We appreciate your business and support.



Ryan Dempster
President and Chief Executive Officer

Salem Headquarters Office

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Salem, OR 97301
503.485.2222

Albany Branch

1970 SE 14th Avenue
Albany, OR 97322
541.926.6555

Keizer Branch

5140 River Road N
Keizer, OR 97303
503.393.0757

Silverton Branch

701A McClaine Street
Silverton, OR 97381
503.873.3449

Home Loan Centers

Bend, OR	Newport, WA
Eugene, OR	Vancouver, WA
Grants Pass, OR	Yakima, WA
Medford, OR	
Tualatin, OR	Coeur d'Alene, ID
West Linn, OR	Meridian, ID

SECOND QUARTER REPORT

2020

OREGON BANCORP

Where **LOCAL** Means Something.

*Source Based on 2019 & 2020 American Banker Magazine Reports:
<https://tinyurl.com/WVBK1CB19> | <https://tinyurl.com/WVBK1CB20>

Member FDIC.  Equal Housing Lender. NMLS# 713109

BALANCE SHEET (Unaudited)

	JUN 30, 2020	JUN 30, 2019	% Change
ASSETS			
Cash and Due from Banks	\$ 20,044,152	\$ 27,549,342	
Investments	-	-	
Real Estate Loans	186,977,728	151,544,604	
Commercial Loans	37,461,985	8,927,461	
Installment Loans	198,365	295,266	
Agriculture Loans	3,117,442	3,430,793	
Unrealized Loan Fees	(1,103,248)	(111,005)	
	226,652,272	164,087,119	38.13%
Loans Available For Sale	90,436,887	54,128,103	
Loan Loss Reserve	(2,385,964)	(1,671,688)	
Premises & Equipment, Net	3,145,208	2,625,864	
Other Real Estate Owned	-	-	
Other Assets	15,905,029	11,121,609	
TOTAL ASSETS	\$ 353,797,584	\$ 257,840,349	37.22%
LIABILITIES			
Demand Deposits	\$ 25,508,692	\$ 41,478,578	
NOW Accounts	62,843,120	20,744,371	
Savings Accounts	9,394,635	6,386,339	
Money Market Accounts	77,341,444	45,946,408	
Time Deposits	82,004,946	101,433,425	
Total Deposits	257,092,837	215,989,121	19.03%
Borrowings	37,881,054	925,880	
Other Liabilities	14,023,857	8,956,503	
TOTAL LIABILITIES	308,997,748	225,871,504	36.80%
STOCKHOLDERS' EQUITY	44,799,836	31,968,845	40.14%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 353,797,584	\$ 257,840,349	37.22%

INCOME STATEMENT (Unaudited)

	Year-to-Date JUN 30, 2020	3 Months Ending JUN 30, 2020	3 Months Ending JUN 30, 2019	% Change
INVESTMENT INCOME				
Interest on Due from Banks	\$ 111,175	\$ 6,395	\$ 233,849	
Real Estate Loans	5,527,935	2,898,243	2,702,087	
Commercial Loans	559,532	387,078	129,323	
Installment Loans	7,883	3,538	4,739	
Agriculture Loans	71,950	34,446	40,004	
Other Investment Income	4,841	2,470	1,984	
TOTAL INTEREST INCOME	6,283,316	3,332,170	3,111,986	7.08%
INTEREST EXPENSE				
Demand Deposit Accounts	25,339	12,842	6,665	
Money Market & Savings Accounts	121,960	66,644	89,303	
Certificate of Deposit Accounts	945,611	423,852	469,831	
Individual Retirement Accounts	21,434	11,466	7,824	
Borrowings	42,893	33,834	18,117	
TOTAL INTEREST EXPENSE	1,157,237	548,638	591,740	-7.28%
NET INTEREST INCOME	5,126,079	2,783,532	2,520,246	10.45%
Less: Provision for Loan Losses	566,000	176,000		
NET INTEREST INCOME AFTER PROVISION	4,560,079	2,607,532	2,520,246	3.46%
NON-INTEREST INCOME				
Service Charges	22,523	8,991	16,008	
Servicing Fees	584	397	255	
Broker Loan Fees	36,961	961	1,300	
Mortgage Banking Revenue	34,785,698	23,116,022	11,450,099	
Other Income	309,212	144,549	162,404	
TOTAL NON-INTEREST INCOME	35,154,978	23,270,920	11,630,066	100.09%
NON-INTEREST EXPENSE				
Salaries and Employee Benefits	21,290,702	12,857,449	7,710,983	
Occupancy	875,521	443,940	437,815	
Furniture and Fixtures	766,963	438,198	293,750	
Advertising and Promotions	623,343	279,728	377,303	
Misc. Expense	2,935,937	1,712,705	1,090,653	
TOTAL NON-INTEREST EXPENSE	26,492,466	15,732,020	9,910,504	58.74%
Income (loss) before Provision for Income Taxes	13,222,591	10,146,433	4,239,808	
Provision for Income Taxes	3,337,532	2,642,110	887,071	
NET INCOME	\$ 9,885,059	\$ 7,504,323	\$ 3,352,737	123.83%

*#1 Community Bank**

IN THE NATION – 2019 & 2020