

To Our Shareholders

April 1, 2022

I am pleased to present the financial results for the first quarter of 2022 for Oregon Bancorp, Inc. (Company). During the quarter, we continued to see further relaxation of pandemic health and safety precautions and see the pandemic move to the rearview mirror. I am very pleased with our performance during that period of time and that we emerged stronger as a company.

The Company's balance sheet remains well positioned with good asset diversity and strong capital. Total assets decreased modestly by \$4.3 million, or 1.1%, from December 31, 2021. The largest quarterly balance sheet changes are attributable to a \$19.0 million decrease in loans held for sale and similar offsetting increases in cash and investments and commercial loans. First quarter net income was \$2.6 million which compares to \$7.3 million in the first quarter of 2021 and \$2.4 million in the first quarter of 2020. This results in a quarterly return on average assets of 2.5% and a quarterly return on average equity of 14.0%.

Our capital-to-assets remains very strong which has permitted the Board of Directors to distribute a \$2.00 per share special dividend on March 14, 2022 and a \$0.52 per share quarterly dividend on April 15, 2022.

Financial performance during the same quarter last year was fueled by exceptional mortgage production. The rate environment has shifted higher from a year ago which has resulted in less mortgage loan activity. Our expectations are that increasing rates should have a limited impact on the housing market given the ongoing demand for housing and the corresponding limited supply. Additionally, higher interest rates should also slow increasing home prices which would further assist potential home buyers.

We appreciate your continued support and look forward to serving you in the near future.



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

Meridian Service Center

3693 E Longwing Lane, #120-H
Meridian, ID 83646
208.991.9997

Home Loan Centers

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



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CONSOLIDATED BALANCE SHEET (Unaudited)*Amounts in thousands (except per share data)*

	March 31,		(Audited) December 31,
	2022	2021	2021
ASSETS			
Cash and short term investments	\$ 81,800	\$ 47,018	\$ 72,110
Securities available-for-sale at fair value	16,554	-	13,758
Loans available-for-sale at fair value	41,988	75,596	60,974
Loans:			
Real estate	239,749	202,732	231,953
Commercial	10,906	30,947	14,403
Other	569	690	1,011
Unearned income	(688)	(970)	(758)
Loan loss reserve	(2,608)	(2,598)	(2,606)
Total net loans	247,928	230,801	244,003
Property and other assets	19,070	20,962	20,816
Total assets	\$ 407,340	\$ 374,377	\$ 411,661
LIABILITIES			
Deposits:			
Noninterest-bearing demand	\$ 35,557	\$ 27,131	\$ 34,423
Interest-bearing demand	96,263	83,724	91,035
Savings and money market	145,520	106,131	136,751
Certificates of deposit	49,832	73,061	60,715
Total deposits	327,172	290,047	322,924
Borrowings	-	6,343	-
Other liabilities	7,307	15,231	13,183
Total liabilities	334,479	311,621	336,107
SHAREHOLDER'S EQUITY	72,861	62,756	75,554
Total liabilities & shareholders' equity	\$ 407,340	\$ 374,377	\$ 411,661
Book value per common share	\$ 29.75	\$ 26.10	\$ 31.31

CONSOLIDATED STATEMENTS OF NET INCOME (Unaudited)*Amounts in thousands (except per share data)*

	Three Months Ending	
	March 31, 2022	March 31, 2021
Interest income	\$ 3,431	\$ 3,504
Interest expense	225	306
Net interest income	3,206	3,198
Provision for loan losses	-	113
Net interest income after provision	3,206	3,085
Noninterest income	11,807	23,504
Noninterest expense	11,568	16,544
Net income before income taxes	3,445	10,045
Provision for income taxes	842	2,745
Net income after income taxes	\$ 2,603	\$ 7,300
Net income per common share, basic	\$ 1.07	\$ 3.06

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