

STIMULATING LOCAL ECONOMY. SUPPORTING OUR NEIGHBORS.

BUILDING OUR COMMUNITY.



*Where local
means
something.*



Willamette
Valley Bank

OREGON
BANCORP

2015 ANNUAL REPORT

Board of Directors

Edgar B. Martin

Chairman of the Board
Past President & CEO,
Willamette Valley Bank

Joseph J. Minniti, CPA

Vice Chairman of the Board
Minniti & Company, P.C.

Bill McCall

President, Windsor Rock
Products

Cort R. Garrison, MD, MBA

Chief Information Officer,
OHSU - Partners

Denise Schott

President, Schott Parts and
Accessories, LLC

Douglas L. Zielinski

Owner, Alpha Nursery, Inc.

George W. Patterson

President, Action Marketing

Jay C. Compton

President, J.C Compton Co.
& Staats Corp.

Matthew J. Fitzmaurice

President, Fitzmaurice
Fertilizer, Inc.

Neil D. Grossnicklaus

President & CEO,
Willamette Valley Bank and
Oregon Bancorp

Executive Officers

Neil D. Grossnicklaus

President,
Chief Executive Officer

Lisa A. Schrunk

Executive Vice President,
Chief Lending Officer

Craig B. Hummel

Executive Vice President,
Chief Credit Officer

Ryan K. Dempster

Executive 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

2015 was a very strong year for our company. Oregon Bancorp reported the highest full year of profitability since inception. Primary business lines of Willamette Valley Bank, the wholly owned subsidiary of our Holding Company, demonstrated significant improvement over the previous year.

Commercial lending showed an increase of 11% in loan balances over 2014. We ended the year with a total loan portfolio of \$109.5 million, the highest in our history. New commercial loan originations of \$44.7 million were the most since the financial crisis and we are showing strong growth going into 2016. The diversity of business types in our loan portfolio is increasing suggesting a widespread improvement in our local economy. Deposit totals grew 18% over last year with total assets increasing to \$150.7 million. The slowly improving business conditions are helping our growth even though the expansion has been slow to develop and not as strong as past recoveries.

Net income for the corporation for 2015 was \$1,927,673 which set a new record. Net interest income was up \$1.2 million over the prior year and total mortgage loan originations of \$314 million set a new high. Return on Assets reached 1.37% and Return on Equity was 12.55% which places us in the top tier of our peers.

Last year's strategic mortgage business realignment and continued selective expansion of our geographic footprint supported higher mortgage loan originations. In total, Willamette Valley Bank helped over 1,400 Northwest families either purchase or refinance their homes in 2015.

Improved technology in our mortgage operation back office provided significant cost efficiencies as we moved to a paperless loan file platform. This has enabled us to close home loans quicker and improve turnover of sold loans into the secondary market. New online enhancements to our deposit products during the year position us well for 2016 as we roll out a new suite of options for our customers.

The company's capital position continues to be strong with our leverage capital ratio of 10.76%. Our solid earnings stream has provided capital growth that enables us to grow in size organically and to take advantage of opportunities that may arise.

We look forward to a prosperous future and wish to thank you for your ongoing support.



Neil D. Grossnicklaus
President, Chief Executive Officer



Edgar B. Martin
Chairman of the Board

Oregon Bancorp, Inc and Subsidiary Unaudited Consolidated Balance Sheets

	Period Ending December 31,	
	2015	2014
ASSETS		
Cash and Due from Banks	\$ 9,786,950	\$ 8,455,604
Investment Securities Available-For-Sale	85,298	1,166,728
Loans Held - For Sale	22,986,913	15,280,049
Loans, Net of Allowance for Loan Losses	109,480,891	98,045,916
Premises and Equipment, Net	2,711,554	2,797,220
Other Real Estate Owned	1,588,066	490,749
Other Assets	4,020,320	4,652,529
Total Assets	\$ 150,659,992	\$ 130,888,795
LIABILITIES		
Total Deposits	\$ 131,020,807	\$ 111,144,013
Borrowings	1,472,463	3,614,180
Other Liabilities	1,957,229	1,632,030
Total Liabilities	134,450,499	116,390,223
SHAREHOLDERS' EQUITY	16,209,493	14,498,572
Total Liabilities and Shareholders' Equity	\$ 150,659,992	\$ 130,888,795

Unaudited Consolidated Statements of Operations

	Years Ended December 31,	
	2015	2014
Interest Income	\$ 6,908,784	\$ 5,454,246
Interest Expense	816,033	630,826
Net Interest Income Before Provision for Loan Losses	6,092,751	4,823,420
Provision for Loan Losses	-	-
Net Interest Income After Provision for Loan Losses	6,092,751	4,823,420
Noninterest Income	14,246,872	6,960,212
Noninterest Expense	17,258,241	11,544,630
Income Before Provision for Income Taxes	3,081,382	239,002
Provision for Income Taxes	1,153,709	89,973
Net Income	\$ 1,927,673	\$ 149,029

Audited Financial statements available at wwbk.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.



Where local
means
something.



STIMULATING LOCAL ECONOMY.
SUPPORTING OUR NEIGHBORS.
BUILDING OUR COMMUNITY.

WVBK.COM



Bank Branches

Salem

101 High Street NE
Salem, OR 97301

Albany

1970 SE 14th Avenue
Albany, OR 97322

Keizer

5140 River Road N
Keizer, OR 97303

Silverton

701A McClaine Street
Silverton, OR 97381

Home Loan Centers

Portland, Oregon

2009 NE Alberta Street, Suite 211
Portland, OR 97211

Bend, Oregon

121 NW Greenwood Avenue, Suite 103
Bend, OR 97701

Boise, Idaho

2483 E. Fairview Avenue, Suite 112
Meridian, ID 83642

Coeur D'Alene, Idaho

704 E. Sherman, Suite 102
Coeur D'Alene, ID 83814

Eugene, Oregon

3007 N Delta, Suite 205
Eugene, Oregon 97408

Grants Pass, Oregon

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

Medford, Oregon

920 Town Centre Drive
Medford, OR 97504

Priest River, Idaho

5871 Highway 2
Priest River, ID 83856

Sherwood, Oregon

20510 SW Roy Rogers Rd, Suite 100
Sherwood, OR 97140

Vancouver, Washington

821 SE 160th Avenue
Vancouver, WA 98683

Wilsonville, Oregon

9175 SW Wilsonville Road
Wilsonville, OR 97070

