

BANK
BRANCHES

OREGON

- 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

OREGON

- Bend**
121 NW Greenwood Ave, Ste 103
Bend, Oregon 97701
- Eugene**
3007 N Delta, Ste 205
Eugene, Oregon 97408
- Grants Pass**
550 SW 6th Street, Ste A
Grants Pass, Oregon 97526
- Medford North**
821 O'Hare Pkwy, Ste 102
Medford, Oregon 97504
- Medford South**
611 Medford Center Dr.
Medford, Oregon 97504
- Portland**
3902 NE Sandy Blvd, Ste 100
Portland, Oregon 97232

IDAHO

- Coeur d'Alene**
704 Sherman Ave
Coeur d'Alene, Idaho 83814
- Meridian**
3597 E Monarch Sky Ln, Ste 320
Meridian, Idaho 83646

WASHINGTON

- Newport**
405 W. Walnut Street, Ste 1
Newport, Washington 99156
- Spokane**
110 N Post Street
Spokane, Washington 99201
- Vancouver**
821 SE 160th Ave
Vancouver, Washington 98683



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.

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

Matthew J. Fitzmaurice
Retired President,
Fitzmaurice Fertilizer, Inc.

Denise Schott
President, Schott Parts
and Accessories, LLC

George W. Patterson
Retired President,
Action Marketing

Douglas L. Zielinski
Owner, Alpha Nursery, Inc.

Bill McCall
President, Windsor Rock
Products

Neil D. Grossnicklaus
Chief Executive Officer,
Willamette Valley Bank

Ryan K. Dempster
President,
Chief Financial Officer,
Willamette Valley Bank

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 pleased to report that 2018 was another successful year for Oregon Bancorp, Inc. (Company) and our wholly owned subsidiary, Willamette Valley Bank. Earnings continued to grow from prior years and residential and commercial lending reached new highs. Overall, our 2018 financial results place the Company in the top tier of its peers nationally.

Annual net earnings for the Company increased 52% to \$7.5 million, or \$3.32 per diluted common share. Return on average assets reached 3.37% and return on average equity was 29.89%. Commercial loan totals grew 11% (\$15 million) and bank deposits grew 17% (\$29 million). The increase in annual earnings was positively impacted by the reduction in the federal tax rate following the passage of the Tax Cuts and Jobs Act in December 2017.

Residential loan originations increased 18% to \$747 million up from \$632 million in the prior year. We attribute part of our success in this business line to the location of our loan production offices in robust housing markets as 84% of loans made during the year were for the purpose of purchasing new and existing homes. Mortgage loan rates did increase over the last year and the availability of housing remains limited in some areas. We anticipate these factors may impact demand for mortgage loans in the coming year.

Strong earnings enabled the Company to return \$1.00 per common share in dividends during 2018 (adjusted for May 2018 stock split), increase capital 25%, and avoid dilutive capital raises. Our tangible book value per common share increased from \$10.53 last year to \$12.91 currently and we remain well capitalized moving into 2019.

In preparation for further growth, the Board of Directors appointed Ryan Dempster, Executive Vice President and Chief Financial Officer, as President of Oregon Bancorp, Inc. and Willamette Valley Bank. Mr. Dempster has over ten years of service to the Company and brings a wealth of knowledge and financial expertise to the position. Mr. Grossnicklaus will continue as Chief Executive Officer until later in the year.

We are pleased that we continue to produce strong earnings and remain committed to continuing to offer valuable and important products to our customers while maximizing earnings for our shareholders. We look forward to serving you in the coming year and thank you for your continued support.



Neil D. Grossnicklaus
Chief Executive Officer



Edgar B. Martin
Chairman of the Board

Oregon Bancorp, Inc. and Subsidiary
Unaudited Consolidated Balance Sheets

Period Ending December 31

	2018	2017
ASSETS		
Cash and Due from Banks	\$ 45,639,021	\$ 21,634,181
Loans Held - For Sale	32,706,890	34,816,974
Loans, Net of Allowance for Loan Losses	152,974,800	137,724,538
Premises and Equipment, Net	2,677,106	2,610,320
Other Real Estate Owned	-	1,221,960
Other Assets	7,579,560	6,883,438
Total Assets	\$ 241,577,377	\$ 204,891,411
LIABILITIES		
Total Deposits	\$ 205,538,386	\$ 176,125,501
Borrowings	1,009,103	1,170,302
Other Liabilities	5,655,283	4,175,561
Total Liabilities	\$ 212,202,772	\$ 181,471,364
SHAREHOLDERS' EQUITY		
Total Liabilities and Shareholders' Equity	\$ 241,577,377	\$ 204,891,411

Unaudited Consolidated Statements of Operations

Years Ended December 31

	2018	2017
Interest Income	\$ 10,273,968	\$ 8,258,340
Interest Expense	1,723,820	1,018,499
Net Interest Income Before Provision for Loan Losses	8,550,148	7,239,841
Provision for Loan Losses	-	-
Net Interest Income After Provision for Loan Losses	8,550,148	7,239,841
Noninterest Income	34,475,460	30,431,972
Noninterest Expense	33,102,666	28,897,905
Income Before Provision for Income Taxes	9,922,942	8,773,908
Provision for Income Taxes	2,369,548	3,811,043
Net Income	\$ 7,553,394	\$ 4,962,865

Audited Financial statements available at wvbk.com

Certain statements in this release may be deemed “forward-looking statements”. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.