

To our Shareholders:

September 30, 2019

I am very pleased to report that Oregon Bancorp, Inc. (Company) continued its string of strong earnings during the recent quarter. Quarterly earnings reached \$3,463,856 which surpasses a record established during the previous three month period. This is also an increase of \$1,053,727, or 44%, over the year-ago quarter. Quarterly return on average assets was 5.31% and quarterly return on average equity was 41.14%. Commercial loan growth of 13% and a 40% increase in mortgage lending contributed to the improved financial results.

The Company's year-to-date net income reached \$8,438,025. This is an increase of \$2,472,646, or 41%, over year-to-date net income at September 30, 2018. Year-to-date return on average assets was 4.41% and year-to-date return on average equity was 37.14%.

The Board of Directors declared an \$0.11 per share dividend that was paid October 15, 2019. Capital growth through retained earnings continues as our Tier 1 capital ratio remains strong at 13.29%.

We are also pleased to report the addition of Craig Hummel to the Board of Directors. Mr. Hummel previously worked for the Company as Chief Credit Officer and we are excited to add someone with his experience to our Board.

Thank you for your continued support.

Ryan K. Dempster
President & Chief Executive Officer

Salem Headquarters Office

101 High Street NE
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

Eugene, OR

Grants Pass, OR

Medford, OR

Portland, OR

Tualatin, OR

West Linn, OR

Newport, WA

Spokane, WA

Vancouver, WA

Yakima, WA

Coeur d'Alene, ID

Meridian, ID



QUARTERLY REPORT

September 30, 2019



OREGON BANCORP

BALANCE SHEET (Unaudited)

	September 30, 2019	September 30, 2018	Percent Change
ASSETS			
Cash & Due From Banks	\$ 19,685,751	\$ 44,211,394	
Investments	4,056,714	3,844,657	
Real Estate Loans	153,588,863	134,829,332	
Commercial Loans	11,285,739	9,956,631	
Installment Loans	278,686	375,084	
Agriculture Loans	3,025,867	3,791,057	
Unrealized Loan Fees	(144,690)	(176,265)	
Loan Loss Reserve	(1,674,245)	(1,474,015)	
Total Loans	166,360,220	147,301,824	12.94%
Loans Available For Sale	66,605,272	33,345,861	
Premises & Equipment, Net	2,777,494	2,719,613	
Other Real Estate Owned	-	-	
Other Assets	6,728,411	4,087,044	
TOTAL ASSETS	\$ 266,213,862	\$ 235,510,393	13.04%
LIABILITIES			
Demand Deposits	\$ 41,873,417	\$ 35,102,429	
NOW Accounts	21,674,511	16,690,154	
Savings Accounts	5,759,452	6,191,200	
Money Market Accounts	46,505,274	42,447,966	
Time Deposits	105,427,045	100,477,420	
Total Deposits	221,239,699	200,909,169	10.12%
Borrowings	883,577	1,049,959	
Other Liabilities	8,703,222	5,694,080	
TOTAL LIABILITIES	230,826,498	207,653,208	11.16%
STOCKHOLDERS' EQUITY	35,387,364	27,857,185	27.03%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 266,213,862	\$ 235,510,393	13.04%

INCOME STATEMENT (Unaudited)

	Year-To-Date September 30, 2019	Three Months Ending September 30, 2019	Three Months Ending September 30, 2018	Percent Change
INTEREST INCOME				
Investment Income	\$ 719,624	\$ 186,634	\$ 200,421	
Commercial Loans	416,305	148,491	132,879	
Agriculture Loans	125,702	39,444	49,018	
Installment Loans	13,296	3,826	5,147	
Real Estate Loans	7,787,309	2,714,023	2,280,098	
Other Interest Income	7,097	3,101	1,990	
TOTAL INTEREST INCOME	9,069,333	3,095,519	2,669,553	15.96%
INTEREST EXPENSE				
Demand Deposit Accounts	22,571	7,100	5,334	
Money Market & Savings Accounts	203,075	54,348	23,531	
Certificate of Deposit Accounts	1,468,534	556,658	438,274	
Individual Retirement Accounts	24,341	9,744	(6,510)	
Borrowings	38,727	9,859	10,128	
TOTAL INTEREST EXPENSE	1,757,248	637,709	470,757	35.46%
NET INTEREST INCOME	7,312,085	2,457,810	2,198,796	11.78%
Less: Provision for Loan Losses	190,000	-	-	
NET INTEREST INCOME AFTER PROVISION	7,122,085	2,457,810	2,198,796	11.78%
NON-INTEREST INCOME				
Service Charges	46,070	15,041	13,920	
Servicing Fees	1,044	259	564	
Broker Loan Fees	18,332	11,752	9,670	
Mortgage Banking Revenue	32,928,131	13,675,112	10,211,098	
Other Income	446,738	141,569	87,382	
TOTAL NON-INTEREST INCOME	33,440,315	13,843,733	10,322,634	34.11%
NON-INTEREST EXPENSE				
Salaries and Employee Benefits	22,407,185	8,792,334	6,716,517	
Occupancy	1,255,249	405,844	382,527	
Furniture and Fixtures	842,401	312,796	293,901	
Advertising and Promotions	1,126,124	387,928	396,716	
Misc Expense	3,647,870	1,537,786	1,476,964	
TOTAL NON-INTEREST EXPENSE	29,278,829	11,436,688	9,266,625	23.42%
Income (loss) before Provision for Income Taxes	11,283,571	4,864,855	3,254,805	
Provision for Income Taxes	2,845,546	1,400,999	844,676	
NET INCOME	\$ 8,438,025	\$ 3,463,856	\$ 2,410,129	43.72%