

**To our Shareholders:**

**December 31, 2019**

Oregon Bancorp, Inc. (Company) experienced revenue and asset growth during the fourth quarter to continue its string of successful financial reports from earlier in the year. Quarterly earnings reached \$3,069,170, up \$1,481,155, or 93%, from the fourth quarter of 2018. Quarterly return on average assets was 4.60% and quarterly return on average equity was 33.28%. Year-over-year Commercial loan growth of 17% and a 23% increase in mortgage lending contributed to the improved financial results. Total deposits also increased 8% from December 31, 2018.

The Company's 2019 year-to-date net income reached \$11,507,195. This is an increase of \$3,953,801, or 52%, over the prior year. Year-to-date return on average assets reached 4.46% and year-to-date return on average equity is 36.42%. We are proud of these results as they represent a significant increase over record earnings reported in the prior year. Return on average assets was 3.37% and return on average equity was 29.89% in 2018.

The Board of Directors declared an \$0.11 per share dividend that was paid January 13, 2020. Capital growth through retained earnings continues as our Tier 1 capital ratio remains strong at 14.25%.

Thank you for your continued support.

Ryan K. Dempster  
President & Chief Executive Officer

**Salem Headquarters Office**

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Albany, OR 97322  
541-926-6555

**Keizer Branch**

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Keizer, OR 97303  
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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

December 31, 2019



BALANCE SHEET (Unaudited)

	December 31, 2019	December 31, 2018	Percent Change
<b>ASSETS</b>			
Cash & Due From Banks	\$ 17,613,486	\$ 45,639,021	
Life Insurance	4,137,359	3,925,335	
Real Estate Loans	164,792,981	140,038,346	
Commercial Loans	12,424,690	9,998,122	
Installment Loans	316,187	360,237	
Agriculture Loans	3,900,529	4,202,130	
Unrealized Loan Fees	(172,180)	(147,462)	
Loan Loss Reserve	(1,814,818)	(1,476,573)	
<b>Total Loans</b>	<b>179,447,389</b>	<b>152,974,800</b>	17.31%
Loans Available For Sale	58,751,727	32,706,890	
Premises & Equipment, Net	2,957,069	2,677,106	
Other Real Estate Owned	-	-	
Other Assets	6,574,736	3,654,225	
<b>TOTAL ASSETS</b>	<b>\$ 269,481,766</b>	<b>\$ 241,577,377</b>	11.55%
<b>LIABILITIES</b>			
Demand Deposits	\$ 39,435,130	\$ 34,035,153	
NOW Accounts	26,855,835	24,816,047	
Savings Accounts	6,652,419	6,596,760	
Money Market Accounts	48,001,662	41,539,206	
Time Deposits	100,894,321	98,551,220	
<b>Total Deposits</b>	<b>221,839,367</b>	<b>205,538,386</b>	7.93%
Borrowings	840,924	1,009,103	
Other Liabilities	8,405,848	5,655,283	
<b>TOTAL LIABILITIES</b>	<b>231,086,139</b>	<b>212,202,772</b>	8.90%
<b>STOCKHOLDERS' EQUITY</b>	<b>38,395,627</b>	<b>29,374,605</b>	30.71%
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 269,481,766</b>	<b>\$ 241,577,377</b>	11.55%

INCOME STATEMENT (Unaudited)

	Year-To-Date December 31, 2019	Three Months Ending December 31, 2019	Three Months Ending December 31, 2018	Percent Change
<b>INTEREST INCOME</b>				
Investment Income	\$ 821,173	\$ 101,549	\$ 276,908	
Commercial Loans	580,096	163,791	141,961	
Agriculture Loans	164,731	39,029	46,611	
Installment Loans	17,075	3,779	4,787	
Real Estate Loans	10,541,467	2,754,158	2,351,369	
Other Interest Income	9,467	2,370	1,959	
<b>TOTAL INTEREST INCOME</b>	<b>12,134,009</b>	<b>3,064,676</b>	<b>2,823,595</b>	8.54%
<b>INTEREST EXPENSE</b>				
Demand Deposit Accounts	32,977	10,406	6,944	
Money Market & Savings Accounts	257,464	54,389	25,428	
Certificate of Deposit Accounts	2,004,165	535,631	438,014	
Individual Retirement Accounts	34,382	10,041	19,156	
Borrowings	47,937	9,210	10,792	
<b>TOTAL INTEREST EXPENSE</b>	<b>2,376,925</b>	<b>619,677</b>	<b>500,334</b>	23.85%
<b>NET INTEREST INCOME</b>	<b>9,757,085</b>	<b>2,445,000</b>	<b>2,323,261</b>	5.24%
Less: Provision for Loan Losses	328,000	138,000	-	
<b>NET INTEREST INCOME AFTER PROVISION</b>	<b>9,429,085</b>	<b>2,307,000</b>	<b>2,323,261</b>	-0.70%
<b>NON-INTEREST INCOME</b>				
Service Charges	60,225	14,155	16,580	
Servicing Fees	1,298	254	535	
Broker Loan Fees	22,345	4,013	13,060	
Mortgage Banking Revenue	45,129,566	12,201,435	6,893,250	
Other Income	626,453	179,715	162,914	
<b>TOTAL NON-INTEREST INCOME</b>	<b>45,839,886</b>	<b>12,399,571</b>	<b>7,086,339</b>	74.98%
<b>NON-INTEREST EXPENSE</b>				
Salaries and Employee Benefits	29,761,913	7,354,728	5,714,272	
Occupancy	1,683,453	428,204	407,951	
Furniture and Fixtures	1,176,295	333,894	274,326	
Advertising and Promotions	1,542,969	416,845	391,681	
Misc Expense	5,738,028	2,090,158	732,954	
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>39,902,658</b>	<b>10,623,829</b>	<b>7,521,184</b>	41.25%
<b>Income (loss) before Provision for Income Taxes</b>	<b>15,366,313</b>	<b>4,082,742</b>	<b>1,888,416</b>	
Provision for Income Taxes	3,859,118	1,013,572	300,401	
<b>NET INCOME</b>	<b>\$ 11,507,195</b>	<b>\$ 3,069,170</b>	<b>\$ 1,588,015</b>	93.27%