



Where
local
Means Something.

OREGON
BANCORP

2019
ANNUAL
REPORT

BOARD OF DIRECTORS

Joseph J. Minniti Board Chair Minniti & Company, P.C.	Neil D. Grossnicklaus Board Vice Chair, Past President Willamette Valley Bank
Jay C. Compton President J.C. Compton Co.	Douglas L. Zielinski Owner Alpha Nursery, Inc.
Matthew J. Fitzmaurice Former President Fitzmaurice Fertilizer, Inc	Bill McCall Former President Windsor Rock Products
Denise Schott President Schott Parts & Accessories, LLC	Craig Hummel Former Chief Credit Officer Willamette Valley Bank
George W. Patterson Retired President Action Marketing	Ryan Dempster President, CEO Willamette Valley Bank

EXECUTIVE OFFICERS

Ryan Dempster President, CEO Willamette Valley Bank	Dave DeSemples Senior Vice President Chief Banking Officer
Dan King Executive Vice President Residential Lending	Nichoel Casey Senior Vice President Chief Administrative Officer
Eric Gerhart Senior Vice President Chief Lending Officer	David Pappas Senior 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

We are pleased to report that 2019 was another banner year for Oregon Bancorp, Inc. (Company) and its wholly owned subsidiary, Willamette Valley Bank. During the year we experienced further growth in lending and assets which translated into another year of record earnings.

The Company's assets grew through a continued focus on developing local relationships. This led to an increase in commercial loan balances by \$26 million, or 17%, and an increase in residential loan volume to \$981 million from \$744 million in 2018. Although local bank deposits grew \$24.3 million, this growth was offset by a reduction in higher cost wholesale deposits which lowered net deposit growth to \$16.3 million, or 8%. We attribute this growth in part to low long-term rates throughout the year and strong local economies.

For the second straight year, annual net earnings for the Company increased by more than 50% from \$7.5 million in 2018 to \$11.5 million in 2019. This led to an increase in earnings per share from \$3.33 per diluted common share to \$5.00 per share. Return on average assets reached 4.50% and return on average equity was 33.96%. These are all record financial metrics for our Company.

Strong earnings enabled the Company to announce its fourth consecutive annual special dividend of \$1.50 per common share in February 2020. This represents a \$0.50 increase over the special

dividend paid last year. During the year we increased our quarterly cash dividend 10% to \$0.11 per share and extended our string of consecutive quarterly cash dividends to 14.

We were recognized by several organizations for our financial success which included being named the most profitable community bank by the American Bankers' Association based on a return on average equity over the prior three years. We were equally proud to be recognized as one of the best places to work in Oregon, Southwest Washington and Idaho. Our team of dedicated and professional employees are the key to our success and we are appreciative of their contributions to enhancing the value of our Company.

This year marks the 20th anniversary of our company. We have encountered and overcome several challenges during this time, but we have emerged a strong financial institution. A lot has changed over the last two decades but our commitment to the communities we serve has never been greater. Regardless of whether you are a 20-year shareholder or a recent investor, we are appreciative of your trust and support and look forward to serving you in the coming year.



Ryan K. Dempster
President and Chief Executive Officer



Joseph M. Minniti
Chairman of the Board

Oregon Bancorp, Inc. and Subsidiary

Unaudited Consolidated Balance Sheets

Period Ending December 31

	2019	2018
ASSETS		
Cash and Due from Banks	\$ 17,613,486	\$ 45,639,021
Loans Held - For Sale	58,751,727	32,706,890
Loans, Net of Allowance for Loan Losses	179,447,389	152,974,800
Premises and Equipment, Net	2,957,069	2,677,106
Other Real Estate Owned	-	-
Other Assets	10,712,095	7,579,560
Total Assets	\$ 269,481,766	\$ 241,577,377
LIABILITIES		
Total Deposits	\$ 221,839,368	\$ 205,538,386
Borrowings	840,924	1,009,103
Other Liabilities	8,405,848	5,655,283
Total Liabilities	\$ 231,086,139	\$ 212,202,772
SHAREHOLDERS' EQUITY		
Total Liabilities and Shareholders' Equity	\$ 269,481,766	\$ 241,577,377

Unaudited Consolidated Statements of Operations

Years Ended December 31

	2019	2018
Interest Income	\$ 12,134,009	\$ 10,273,968
Interest Expense	2,376,925	1,723,820
Net Interest Income Before Provision for Loan Losses	9,757,084	8,550,148
Provision for Loan Losses	328,000	-
Net Interest Income After Provision for Loan Losses	9,429,084	8,550,148
Non-interest Income	45,839,886	34,475,460
Non-interest Expense	39,902,657	33,102,666
Income Before Provision for Income Taxes	15,366,313	9,922,942
Provision for Income Taxes	3,859,118	2,369,548
Net Income	\$ 11,507,195	\$ 7,553,394

Audited Financial statements available at wvbk.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.

HOME LOAN CENTERS

OREGON

Bend

121 NW Greenwood Ave, Ste 103
Bend, OR 97701

Grants Pass

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

Medford South

611 Medford Center Dr
Medford, OR 97504

West Linn

1914 Willamette Falls Dr, Ste 160
West Linn, OR 97068

Eugene

3007 N Delta, Ste 205
Eugene, OR 97408

Medford North

4021 Crater Lake Ave, Ste 201B
Medford, OR 97504

Tualatin

18662 SW Boones Ferry Rd
Tualatin, OR 97062

IDAHO

Coeur d'Alene

704 Sherman Ave
Coeur d'Alene, ID 83814

Coeur d'Alene

3931 N Schreiber Way
Coeur d'Alene, ID 83815

Meridian

3597 E Monarch Sky Ln, #320
Meridian, Idaho 83646

WASHINGTON

Newport

405 W. Walnut Street, Ste 1
Newport, WA 99156

Spokane

110 N Post St
Spokane, WA 99201

Vancouver

821 SE 160th Ave
Vancouver, WA 98683

Yakima

402 E Yakima Ave, Ste 1060
Vancouver, WA 98683

BANK BRANCHES

OREGON

Salem

101 High St NE
Salem, OR 97301

Albany

1970 SE 14th Ave
Albany, OR 97322

Keizer

5140 River Rd N
Keizer, OR 97303

Silverton

701A McClaine St
Silverton, OR 97381





Willamette Valley Bank

Member FDIC.  Equal Housing Lender. NMLS# 713109