

To Our Shareholders

September 30, 2020

The Covid-19 pandemic has made 2020 a difficult year for companies and people throughout the world. Our customers and employees have also experienced additional adversity with the destruction caused by widespread wildfires. Through it all I am immensely grateful for the professionalism and dedication of our staff whose efforts have enabled Oregon Bancorp, Inc. (Company) to remain a source of strength during a time when our customers and community need it most all while propelling the Company to new record achievements.

Third quarter earnings reached \$10,455,732, an increase of \$6,991,876, or 202%, from the third quarter of 2019. This results in a quarterly return on average assets of 11.69% and a quarterly return on average equity of 83.49%. Year-to-date earnings are now \$20,340,791 which far exceeds our record earnings reported in 2019.

Customer deposits decreased from the prior quarter by approximately \$0.7 million while commercial loan balances increased \$4.2 million during the same period. Residential lending during the third quarter reached \$500 million, which is an increase of \$69 million from the second quarter of 2020 and a \$199 million increase from the third quarter in 2019. Year-to-date mortgage origination volume has now surpassed \$1.17 billion.

The Board of Directors declared a \$0.11 per share quarterly dividend that was paid October 14, 2020. Capital growth through retained earnings continued as our Tier 1 capital ratio remains strong at 14.36%.

We celebrate our 20th anniversary since opening on October 31, 2020. A lot has changed over the last twenty years, but our commitment to our customers, employees and shareholders has never been stronger. Whether you have been a shareholder for a few months or twenty years, we appreciate your commitment to the Company and your ongoing support.



Ryan Dempster
President and Chief Executive Officer

Salem Headquarters Office

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Albany Branch

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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	Newport, WA
Eugene, OR	Vancouver, WA
Grants Pass, OR	Yakima, WA
Medford, OR	—
Tualatin, OR	Coeur d'Alene, ID
West Linn, OR	Meridian, ID

CELEBRATING



OF SERVICE

THIRD QUARTER REPORT

2020

OREGON BANCORP

Where **LOCAL** Means Something.

CONSOLIDATED BALANCE SHEET

(Unaudited)

Summary Statements of Condition	September 30,		June 30,	
	2020	2019	2020	
Cash and short term investments	\$ 22,088,990	\$ 19,685,751	\$ 20,044,152	
Investments	-	-	-	
Loans:				
Commercial	36,933,533	11,285,739	37,461,985	
Commercial Real Estate	191,328,447	153,588,865	186,977,728	
Other	3,576,022	3,304,552	3,315,807	
Unearned income	(913,132)	(144,690)	(1,103,248)	
Loan loss reserve and unearned income	(2,434,858)	(1,674,245)	(2,385,964)	
Total net loans	228,490,012	166,360,222	224,266,308	
Loans available for sale	113,322,565	66,605,272	90,436,887	
Property and other assets	20,442,443	13,562,618	19,050,237	
Total Assets	\$ 384,344,010	\$ 266,213,863	\$ 353,797,584	
Deposits:				
Noninterest-bearing demand	\$ 26,843,325	\$ 41,873,417	\$ 25,508,692	
Interest-bearing demand	64,416,006	21,674,511	62,843,120	
Savings and Money Market	91,600,189	52,264,726	86,736,079	
Certificates of deposit	73,520,599	105,427,046	82,004,946	
Total deposits	256,380,119	221,239,700	257,092,837	
Borrowings	57,830,155	883,577	37,874,303	
Other Liabilities	14,934,249	8,703,222	14,030,608	
Shareholders' equity	55,199,487	35,387,364	44,799,836	
Total Liabilities & Shareholders' Equity	\$ 384,344,010	\$ 266,213,863	\$ 353,797,584	
Book Value per Share	\$ 23.37	\$ 15.25	\$ 18.96	

CONSOLIDATED STATEMENTS OF NET INCOME

(Unaudited)

	Year-to-Date		Three Months Ending	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Interest income	\$ 9,805,252	\$ 9,069,333	\$ 3,521,936	\$ 3,095,519
Interest expense	1,531,396	1,757,248	374,159	637,709
Net interest income	8,273,856	7,312,085	3,147,777	2,457,810
Less provision for loan losses	612,321	190,000	46,321	-
Net interest income after provision	7,661,535	7,122,085	3,101,456	2,457,810
Noninterest income	64,378,962	33,440,315	29,223,984	13,843,733
Noninterest expense	44,721,330	29,278,828	18,228,864	11,436,687
Net income before income taxes	27,319,167	11,283,572	14,096,576	4,864,856
Provision for income taxes	6,978,376	2,845,547	3,640,844	1,401,000
Net income after income taxes	\$ 20,340,791	\$ 8,438,025	\$ 10,455,732	\$ 3,463,856
Net income per share, basic	\$ 8.65	\$ 3.65	\$ 4.43	\$ 1.49

#1 Community Bank IN THE NATION – 2019 & 2020

*Source Based on 2019 & 2020 American Banker Magazine Reports: <https://tinyurl.com/WVBK1CB19> | <https://tinyurl.com/WVBK1CB20>