

To Our Shareholders

March 31, 2021

I am pleased to present 2021 first quarter financial results for Oregon Bancorp, Inc. (Company). The Company continued to post strong earnings. The first quarter is historically the slowest time of year, but we built upon the momentum from last year and had our best first quarter on record.

First quarter earnings reached \$7.3 million, an increase of \$4.9 million, or 207%, from the first quarter of 2020. This translates into a quarterly return on average assets of 7.97% and a quarterly return on average equity of 45.85%. Quarterly residential mortgage lending was a large driver for the year-over-year increase in revenues as loan volume reached \$446 million, an increase of \$198 million, or 80.0%, from the first quarter of 2020.

Total assets declined \$21.5 million, or 5.4%, from December 31, 2020. This is largely attributable to a \$50.1 million decrease, or 39.9%, in loans held for sale, and an increase in customer deposits of approximately \$21.3 million, or 8.0%. The decline in loans held for sale and increase in deposits allowed for a decrease in borrowings of \$42.2 million.

Commercial loan balances increased \$10.2 million, or 4.6%. Some of this growth is related to the Company's participation in the United States Small Business Administration's Paycheck Protection Program after Congress made it possible for businesses hardest hit by the pandemic to receive another round of funding. We extended a total of 80 loans representing \$9.6 million to small businesses which helped employers retain approximately 1,000 employees. We are proud to have been able to participate in this program and aid our economy and local businesses in accessing these funds.

Capital growth through retained earnings expanded our capital to assets ratio of 15.85% at year end to 17.05% presently. This includes the impact of the Board of Directors' decision to distribute a \$3.50 per share special dividend on March 15, 2021 and a \$0.26 per share quarterly dividend on April 15, 2021.

The continued growth in deposits and commercial and residential lending has been encouraging especially as I consider the challenges the communities we serve have faced over the last twelve months. I believe our commitment to forming relationships with our customers and communities is key to our current and future success especially as other financial institutions sacrifice this key principle in exchange for efficiencies. We appreciate your continued support and look forward to serving you.



Ryan Dempster
President and Chief Executive Officer

Salem Headquarters Office

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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	Coeur d'Alene, ID
West Linn, OR	Meridian, ID



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FIRST QUARTER REPORT

2021

**OREGON
BANCORP**

Where LOCAL Means Something.

CONSOLIDATED BALANCE SHEET

(Unaudited)

	March 31,		December 31,
	2021	2020	2020
Summary Statements of Condition			
Cash and short term investments	\$ 47,018	\$ 22,902	\$ 27,876
Loans:			
Real Estate	202,732	170,283	190,212
Commercial	30,947	12,051	32,320
Other	690	3,902	1,628
Unearned income	(970)	(218)	(729)
Loan loss reserve	(2,598)	(2,207)	(2,482)
Total net loans	230,801	183,811	220,948
Loans available for sale	75,596	83,529	125,738
Property and other assets	20,962	17,970	21,327
Total Assets	\$ 374,377	\$ 308,212	\$ 395,889
Deposits:			
Noninterest-bearing demand	\$ 27,130	\$ 19,001	\$ 26,881
Interest-bearing demand	83,724	44,562	72,520
Savings and Money Market	106,131	58,007	97,177
Certificates of deposit	73,061	106,544	72,110
Total deposits	290,046	228,113	268,687
Borrowings	6,343	30,798	48,500
Other Liabilities	15,232	11,868	15,972
Shareholders' equity	62,756	37,433	62,729
Total Liabilities & Shareholders' Equity	\$ 368,034	\$ 308,212	\$ 395,889
Book Value per Share	\$ 26.30	\$ 15.94	\$ 26.55

CONSOLIDATED STATEMENTS OF NET INCOME

(Unaudited)

	Three Months Ending	
	March 31, 2021	March 31, 2020
Interest income	\$ 3,504	\$ 2,951
Interest expense	306	609
Net interest income	3,198	2,343
Provision for loan losses	113	390
Net interest income after provision	3,085	1,953
Noninterest income	23,504	11,884
Noninterest expense	16,544	10,760
Net income before income taxes	10,045	3,076
Provision for income taxes	2,745	695
Net income after income taxes	\$ 7,300	\$ 2,381
Net income per share, basic	\$ 3.06	\$ 1.02

#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>