

## To Our Shareholders

### September 30, 2021

I am pleased to present 2021 third quarter financial results for Oregon Bancorp, Inc (Company). Although Third quarter earnings are less than the record quarter we had last year, the results compare favorably to historical earnings and peer institutions.

Net income for the third quarter totaled \$5.7 million, or \$2.35 per common share outstanding, resulting in a return on average assets of 5.8% and a return on average equity of 32.0%. This compares to \$10.4 million from the third quarter of 2020 and \$3.5 million for the same quarter in 2019. Quarterly residential mortgage loan production was \$400.4 million compared to \$500.0 million during the third quarter last year and \$301.6 million in the third quarter of 2019.

The Company's balance sheet continues to expand as we emphasize commercial banking growth. During the quarter, total assets increased \$24.1 million driven by a \$20.3 million increase in deposits and \$4.6 million increase in capital. The Company's cash and investments also increased \$7.4 million to \$73.7 million at quarter end. Commercial loan balances increased \$9.0 million during the quarter. This growth, however, was offset by a \$4.5 million reduction in Paycheck Protection Program Loans that were forgiven by the U.S. Small Business Association.

The Company's capital continues to broaden through earnings as evidenced by an 18.2% capital-to-assets ratio. During the quarter, the Board of Directors announced an increase to the quarterly dividend from \$0.26 to \$0.52 per share. This payment was distributed to shareholders on October 15, 2021.

We recently opened a new loan production office staffed with retail banking specialists in Meridian, Idaho. The goal of this new office is to position ourselves to leverage technology and the strength of our mortgage team to efficiently and effectively provide banking services to our mortgage customers. We are excited to see the success this new office will bring in the coming months.

We appreciate your support and look forward to serving you.



Ryan Dempster  
President and 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

#### Meridian Service Center

3693 E Longwing Lane, #120-H  
Meridian, ID 83646  
208.991.9997

#### Home Loan Centers

Bend, OR	Spokane, WA
Eugene, OR	Vancouver, WA
Grants Pass, OR	Yakima, WA
Medford, OR	Coeur d'Alene, ID
West Linn, OR	Meridian, ID
	Sandpoint, ID



## Willamette Valley Bank

Member FDIC. Equal Housing Lender. NMLS# 713109

## THIRD QUARTER REPORT

# 2021

# OREGON BANCORP

Where LOCAL Means Something.

## CONSOLIDATED BALANCE SHEET (Unaudited)

Amounts in thousands (except per share data)

Summary statements of condition	September 30,		June 30,	
	2021	2020	2021	
Cash and short term investments	\$ 65,380	\$ 22,089	\$ 66,338	
Securities available-for-sale at fair value	8,383	-	-	
Loans:				
Real estate	216,621	191,328	207,805	
Commercial	19,254	36,934	24,548	
Other	1,428	3,576	605	
Unearned income	(777)	(913)	(899)	
Loan loss reserve	(2,603)	(2,435)	(2,601)	
Total net loans	233,923	228,490	229,458	
Loans available for sale	75,192	113,323	62,338	
Property and other assets	26,240	20,442	18,498	
Total assets	\$ 400,735	\$ 384,344	\$ 376,632	
Deposits:				
Noninterest-bearing demand	\$ 29,256	\$ 26,843	\$ 28,921	
Interest-bearing demand	206,262	64,416	80,546	
Savings and money market	14,445	91,600	118,305	
Certificates of deposit	66,966	73,521	68,759	
Total deposits	316,929	256,380	296,531	
Borrowings	-	57,830	-	
Other liabilities	11,092	14,934	12,026	
Shareholders' equity	72,714	55,200	68,075	
Total liabilities & shareholders' equity	\$ 400,735	\$ 384,344	\$ 376,632	
Book value per common share	\$ 30.13	\$ 23.37	\$ 28.22	

## CONSOLIDATED STATEMENTS OF NET INCOME (Unaudited)

Amounts in thousands (except per share data)

	Six Months Ending		Three Months Ending	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest income	\$ 10,484	\$ 9,805	\$ 3,437	\$ 3,522
Interest expense	866	1,531	267	374.0
Net interest income	9,618	8,274	3,170	3,148
Provision for loan losses	113	612	-	46
Net interest income after provision	9,505	7,662	3,170	3,102
Noninterest income	62,244	64,379	19,219	29,224
Noninterest expense	46,826	44,722	14,736	18,229
Net income before income taxes	24,923	27,319	7,653	14,097
Provision for income taxes	6,515	6,978	1,971	3,641
Net income after income taxes	\$ 18,408	\$ 20,341	\$ 5,682	\$ 10,456
Net income per common share, basic	\$ 7.67	\$ 8.65	\$ 2.35	\$ 4.43

*#1 Community Bank* **IN THE NATION – 2021, 2020 & 2019\***

\*American Banker Magazine Reports.