

## To Our Shareholders

December 31, 2021

I am pleased to present the 2021 fourth quarter financial results for Oregon Bancorp, Inc (Company). During the year, we continued to manage risk created by the COVID-19 pandemic but also made progress in growing the Company and executing our strategic plan. Overall, annual financial results will rank second among our 21 year operating history.

Net income for the fourth quarter totaled \$4.0 million, or \$1.65 per common share outstanding, resulting in a return on average assets of 3.91% and a return on average equity of 21.30%. This compares to net income of \$8.0 million in the fourth quarter of 2020 and \$3.1 million in the same quarter in 2019. Annual net income reached \$22.4 million which compares to net income of \$28.3 million in 2020 and \$11.5 million in 2019.

We experienced asset growth from our continued focus on expanding the Bank's commercial banking department. During the quarter, total assets increased \$7.3 million driven by a \$6.0 million increase in deposits. Commercial loan balances grew \$13.2 million, or 23.1% on an annualized basis, when removing the impact of Paycheck Protection Program loan payoffs. At December 31, 2021, the Bank had \$4.8 million in Paycheck Protection Program Loans that are expected to be forgiven by the U.S. Small Business Association during 2022. Quarterly residential mortgage loan production was \$348 million compared to \$509 million and \$274 million during the fourth quarters of 2020 and 2019, respectively.

We have seen further economic improvement during the quarter which has led to price inflation and an expectation the Federal Reserve will increase benchmark interest rates in the coming months. We anticipate this will impact the Company by expanding net interest margin and lowering mortgage refinancing activity. The overall strength of the economy, however, should lead to further demand for loans to purchase residential homes and commercial property.

Thank you for your support and we look forward to serving you in the new year.



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

**FOURTH QUARTER REPORT**

**2021**

**OREGON  
BANCORP**

Where **LOCAL** Means Something.

## CONSOLIDATED BALANCE SHEET (Unaudited)

Amounts in thousands (except per share data)

Summary statements of condition	December 31,		September 30,	
	2021	2020	2021	
Cash and short term investments	\$ 65,096	\$ 27,876	\$ 65,380	
Securities available-for-sale at fair value	13,758	-	8,383	
Loans:				
Real estate	231,953	190,212	216,621	
Commercial	14,403	32,320	19,254	
Other	1,011	1,628	1,428	
Unearned income	(758)	(729)	(777)	
Loan loss reserve	(2,606)	(2,482)	(2,603)	
Total net loans	244,003	220,949	233,923	
Loans available for sale	60,974	125,738	75,192	
Property and other assets	37,933	21,326	26,240	
Total assets	\$ 408,006	\$ 395,889	\$ 400,735	
Deposits:				
Noninterest-bearing demand	\$ 34,423	\$ 26,881	\$ 29,256	
Interest-bearing demand	91,035	72,520	91,874	
Savings and money market	136,751	97,177	128,833	
Certificates of deposit	60,715	72,110	66,966	
Total deposits	322,924	268,688	316,929	
Borrowings	-	48,500	-	
Other liabilities	9,528	15,972	11,092	
Shareholders' equity	75,554	62,729	72,714	
Total liabilities & shareholders' equity	\$ 408,006	\$ 395,889	\$ 400,735	
Book value per common share	\$ 31.31	\$ 26.55	\$ 30.13	

## CONSOLIDATED STATEMENTS OF NET INCOME (Unaudited)

Amounts in thousands (except per share data)

	Year-to-Date		Three Months Ending	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Interest income	\$ 14,010	\$ 13,571	\$ 3,526	\$ 3,766
Interest expense	1,118	1,903	252	372
Net interest income	12,892	11,668	3,274	3,394
Provision for loan losses	113	657	-	45
Net interest income after provision	12,779	11,011	3,274	3,349
Noninterest income	77,460	89,723	15,216	25,344
Noninterest expense	60,707	62,772	13,881	18,050
Net income before income taxes	29,532	37,962	4,609	10,643
Provision for income taxes	7,143	9,670	628	2,692
Net income after income taxes	\$ 22,389	\$ 28,292	\$ 3,981	\$ 7,951
Net income per common share, basic	\$ 9.32	\$ 12.00	\$ 1.65	\$ 3.37

#1 COMMUNITY BANK IN THE NATION – SINCE 2019\*

\*American Banker Magazine Reports.