

To Our Shareholders

June 30, 2022

I am pleased to present the financial results for the second quarter of 2022 for Oregon Bancorp, Inc. (Company). We continue to move beyond the worst of the pandemic, but we are beginning to see signs of stress in the economy by way of elevated levels of inflation. The Federal Reserve has taken measures to reduce price growth, but this has led to concerns of a potential recession. Despite these conditions, I feel confident we are well positioned to weather a recession.

The Company's balance sheet continues to exhibit exceptional asset quality, good liquidity, and strong capital. Total assets increased by \$8.9 million, or 2.1%, from March 31, 2022. The largest quarterly balance sheet changes are attributable to a \$21.9 million increase in cash and short-term investments, \$6.2 million increase in deposits, and \$8.9 million decrease in mortgage loans held for sale. We only had one loan of \$272 thousand that was past due at quarter end, and non-performing assets measured at \$1.3 million, or 1.72% of total capital. Capital remains very strong which permitted the Board of Directors to distribute a \$0.52 per share quarterly dividend on July 15, 2022.

Second quarter net income was \$1.5 million which compares to \$5.4 million in the second quarter of 2021. Although results are less than last year, our earnings ratios remain good with a quarterly return on average assets measuring 1.4% and a quarterly return on average equity of 8.0%.

The Company's financial results over the last two years benefitted from historically low mortgage rates. With the recent Federal Reserve actions to curb inflation, mortgage rates have increased which has led to less mortgage lending. Despite these adjustments, we funded \$228 million in mortgage loans during the quarter and we look forward to assisting more customers finance their homes.

We appreciate your continued support and look forward to serving you in the near future.



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



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CONSOLIDATED BALANCE SHEET (Unaudited)*Amounts in thousands (except per share data)*

	June 30,		March 31,	
	2022	2021	2022	
ASSETS				
Cash and short term investments	\$ 103,722	\$ 66,338	\$ 81,800	
Securities available-for-sale, at fair value	15,903	-	16,554	
Loans available-for-sale, at fair value	33,039	62,338	41,988	
Loans:				
Real estate	235,885	207,805	239,749	
Commercial	11,271	24,548	10,906	
Other	2,838	605	569	
Unearned income	(581)	(899)	(688)	
Loan loss reserve	(2,611)	(2,601)	(2,608)	
Total net loans	246,802	229,458	247,928	
Property and other assets	16,803	18,498	19,070	
Total assets	\$ 416,269	\$ 376,632	\$ 407,340	
LIABILITIES				
Deposits:				
Noninterest-bearing demand	\$ 33,334	\$ 28,921	\$ 35,557	
Interest-bearing demand	102,907	80,546	96,263	
Savings and money market	150,366	118,605	145,520	
Certificates of deposit	46,715	68,759	49,832	
Total deposits	333,322	296,831	327,172	
Borrowings	-	-	-	
Other liabilities	10,206	12,026	7,307	
Total liabilities	343,528	308,857	334,479	
SHAREHOLDER'S EQUITY	72,741	68,075	72,861	
Total liabilities & shareholders' equity	\$ 416,269	\$ 376,932	\$ 407,340	
Book value per common share	\$ 29.62	\$ 28.22	\$ 29.75	

CONSOLIDATED STATEMENTS OF NET INCOME (Unaudited)*Amounts in thousands (except per share data)*

	Six Months Ending		Three Months Ending	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Interest income	\$ 7,251	\$ 7,047	\$ 3,820	\$ 3,543
Interest expense	438	599	213	293
Net interest income	6,813	6,448	3,607	3,250
Provision for loan losses	-	113	-	-
Net interest income after provision	6,813	6,335	3,607	3,250
Noninterest income	20,826	43,025	9,019	19,521
Noninterest expense	22,363	32,090	10,795	15,546
Net income before income taxes	5,276	17,270	1,831	7,225
Provision for income taxes	1,220	4,544	378	1,799
Net income after income taxes	\$ 4,056	\$ 12,726	\$ 1,453	\$ 5,426
Net income per common share, basic	\$ 1.66	\$ 5.31	\$ 0.59	\$ 2.25