



**OREGON**  
BANCORP

ANNUAL REPORT

## *Mission Statement*

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Willamette Valley Bank will be the preferred provider of targeted financial services in our communities. We will continually strengthen our relationships by providing personalized solutions that combine local expertise and flexibility. We will deliver extraordinary client and employee experiences through delivering value, stability, and prosperity to the communities in which we serve.

## *Board Of Directors*

**Joseph J. Minniti**  
Board Chair  
Minniti & Company, P.C.

**Jay C. Compton**  
President  
J.C. Compton Co.

**Matthew J. Fitzmaurice**  
Former President  
Fitzmaurice Fertilizer, Inc

**Denise Schott**  
President  
Schott Parts & Accessories, LLC

**George W. Patterson**  
Retired President  
Action Marketing

**Neil D. Grossnicklaus**  
Board Vice Chair, Past President  
Willamette Valley Bank

**Douglas L. Zielinski**  
Owner  
Alpha Nursery, Inc.

**Bill McCall**  
Former President  
Windsor Rock Products

**Craig Hummel**  
Former Chief Credit Officer  
Willamette Valley Bank

**Ryan Dempster**  
President, CEO  
Willamette Valley Bank

## *Executive Officers*

**Ryan Dempster**  
President  
Chief Executive Officer

**Eric Gerhart**  
Executive Vice President  
Chief Lending Officer

**David Gonzales**  
Senior Vice President  
Chief Financial Officer

**Ryan Allbritton**  
Senior Vice President  
Chief Banking Officer

**Don Mason**  
Senior Vice President  
Chief Administrative Officer

## To Our Shareholders

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We are pleased to present the 2023 financial results for Oregon Bancorp, Inc. and its wholly owned subsidiary, Willamette Valley Bank. The Federal Reserve continued their full-steam ahead approach to combating inflation with several interest rate increases during the year. Fortunately, inflation began to slow in response and interest rates remained unchanged after reaching a twenty-year high during the middle of the year. The rapid path toward higher interest rates had an impact on lending and deposit rates during the year.

The Company's assets declined slightly to \$395.4 million primarily due to a \$6.3 million reduction in deposits. This decrease in deposits is entirely related to maturing brokered deposits. Increasing borrowing rates and competitive pressures, however, led to an increase in deposit costs. We also saw a migration of lower cost non-maturity deposits into certificates of deposits. Overall, this resulted in an increase in our cost of funds from 0.30% in 2022 to 1.50% in 2023.

Although total assets remained relatively unchanged, our asset mix did adjust somewhat. Net loan balances increased \$47.6 million, or 18.5%, to \$305.6 million. This was helpful to increase our earning asset yield from 4.22% in 2022 to 5.41% in 2023. Overall, our net interest margin also increased during the same period from 3.99% to 4.28%. Loan quality remains strong despite increasing interest rates and some softness in the economy. Non-current loans as a percentage of total loans measured 0.3% and non-performing assets were 0.3% of total assets at year end. Both measurements improved from the prior year.

The high interest rate environment has had a greater impact on our residential

lending department. Residential mortgage loan volume decreased to \$392 million in 2023 from \$780 million in 2022. The rapid increase to higher interest rates has led to a significant decline in demand for loan refinance transactions. Additionally, the number of would-be borrowers to purchase homes is further depressed due to a limited inventory of homes available for sale.

Annual net income for the Company reached \$3.6 million in 2023 compared to \$6.9 million in 2022. This resulted in basic earnings per share of \$1.44, return on average assets of 0.89% and return on average equity of 4.87%. During 2023, the Company adjusted its quarterly dividend to \$0.26 per share and continued its string of consecutive quarterly dividends to 30.

We were again recognized by several organizations for our financial success which included being named one of the most profitable community banks in the nation for the fifth consecutive year by the American Bankers' Association based on a return on average equity over the prior three years. We are appreciative for our team of dedicated professionals who worked hard to earn this award by providing an exceptional level of service to our customers.

Thank you for your support and we look forward to serving you in the near future.



Ryan K. Dempster  
President and Chief Executive Officer



Joseph J. Minniti  
Chairman of the Board

# Oregon Bancorp, Inc. and Subsidiary

## Unaudited Consolidated Balance Sheets

Period Ending December 31  
(Amounts in thousands)

	<b>2023</b>	<b>2022</b>
Cash and Due from Banks	\$ 24,225	\$ 78,775
Securities available-for-sale, at fair value	33,390	23,453
Loans held-for-sale, at fair value	12,764	23,601
Loans, net of allowance for loan losses	305,587	257,977
Premises and equipment, net	3,009	3,589
Other assets	16,447	14,555
<b>Total assets</b>	<b>\$ 395,422</b>	<b>\$ 401,950</b>
Total Deposits	\$ 312,354	\$ 318,651
Borrowings	-	-
Other Liabilities	10,084	10,170
<b>Total Liabilities</b>	<b>322,438</b>	<b>328,821</b>
Shareholders' Equity	72,984	73,129
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 395,422</b>	<b>\$ 401,950</b>

# Unaudited Consolidated Statements of Operations

Years Ended December 31  
(Amounts in thousands)

	2023	2022
Interest Income	\$ 20,092	\$ 16,386
Interest Expense	4,158	880
Net Interest Income Before Provision for Taxes	15,934	15,506
Provision for Loan Losses	174	-
Net Interest Income	15,760	15,506
Non-interest Income	16,084	31,418
Non-interest Expense	27,153	38,051
Net Income Before Income Taxes	4,691	8,873
Provision for Income Taxes	1,139	1,975
Net Income	\$ 3,552	\$ 6,898

Audited Financial statements available at [wvbk.com](http://wvbk.com)

Certain statements in this release may be deemed “forward-looking statements”. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

## *Home Loan Centers*

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### Oregon

#### **Medford North**

4021 Crater Lake Ave, Ste 201B  
Medford, OR 97504

#### **Medford South**

611 Medford Center Dr  
Medford, OR 97504

### Idaho

#### **Coeur d'Alene**

704 Sherman Ave  
Coeur d'Alene, ID 83814

#### **Coeur d'Alene**

105 N. 4th St, Ste 301  
Coeur d'Alene, ID 83815

#### **Meridian**

3693 E Longwing Ln, Ste 120-H  
Meridian, ID 83646

#### **Sandpoint**

509 N. Fifth Ave, Ste F  
Sandpoint, ID 83864

## *Bank Branches*

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### Oregon

#### **Salem**

101 High St NE  
Salem, OR 97301

#### **Albany**

1970 SE 14th Ave  
Albany, OR 97322

#### **Keizer**

5140 River Rd N  
Keizer, OR 97303

#### **Silverton**

701A McClaine St  
Silverton, OR 97381



Where Local  
Means Something.



Willamette  
Valley Bank



Willamette  
Valley Bank



Member FDIC.  Equal Housing Lender. NMLS# 713109