

WILLAMETTE COMMUNITY BANK
STATEMENTS OF FINANCIAL CONDITION

| | | March 31 | |
|---|--|--------------------------|--------------------------|
| | | 2016 | 2015 |
| | | <u>(Unaudited)</u> | <u>(Unaudited)</u> |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents: | | | |
| Cash and due from banks | | \$ 1,341,490 | \$ 1,678,906 |
| Due from Federal Reserve Bank, interest-bearing | | 980,000 | 4,510,000 |
| Investment securities, available for sale | | 10,407,310 | 16,295,537 |
| Investment securities, held to maturity | | 5,330,280 | 2,984,784 |
| Loans, net | | 77,521,793 | 67,651,732 |
| Pacific Coast Bankers' Bank (PCBB) stock | | 100,000 | 100,000 |
| Federal Home Loan Bank (FHLB) stock | | 118,700 | 55,000 |
| Premises and equipment, net | | 1,426,535 | 1,518,376 |
| Accrued interest and other assets | | <u>809,354</u> | <u>803,287</u> |
| Total assets | | <u>\$ 98,035,462</u> | <u>\$ 95,597,622</u> |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | | |
| <u>LIABILITIES</u> | | | |
| Deposits: | | | |
| Demand | | \$ 20,955,834 | \$ 20,010,290 |
| Interest-bearing demand | | 9,736,283 | 7,582,688 |
| Money market | | 43,891,902 | 39,253,617 |
| Savings | | 6,569,965 | 6,603,609 |
| Time | | <u>6,097,144</u> | <u>11,876,446</u> |
| Total deposits | | 87,251,128 | 85,326,650 |
| Accrued interest and other liabilities | | <u>100,186</u> | <u>145,340</u> |
| Total liabilities | | 87,351,314 | 85,471,990 |
| <u>SHAREHOLDERS' EQUITY</u> | | | |
| Common stock, 998,999 shares issued and outstanding at March 31, 2016 and 2015 | | 8,681,680 | 8,681,680 |
| Retained earnings | | 1,968,159 | 1,367,218 |
| Accumulated other comprehensive income | | <u>34,309</u> | <u>76,734</u> |
| Total shareholders' equity | | <u>10,684,148</u> | <u>10,125,632</u> |
| Total liabilities and shareholders' equity | | <u>\$ 98,035,462</u> | <u>\$ 95,597,622</u> |
| Book value per share | | <u>\$ 10.69</u> | <u>\$ 10.14</u> |

WILLAMETTE COMMUNITY BANK
STATEMENTS OF INCOME

| | Three months ended March 31 | |
|---|--------------------------------|---------------------|
| | 2016 (Unaudited) | 2015 (Unaudited) |
| INTEREST INCOME | | |
| Interest and fees on loans | \$ 1,021,349 | \$ 941,320 |
| Taxable interest on investment securities | 48,422 | 69,200 |
| Nontaxable interest on investment securities | 42,436 | 27,988 |
| Other interest income | 4,660 | 2,416 |
| | <u>1,116,867</u> | <u>1,040,924</u> |
| INTEREST EXPENSE | | |
| Deposits: | | |
| Interest-bearing demand, money market and savings | 33,607 | 25,853 |
| Time | 7,240 | 19,217 |
| Borrowing | 20 | - |
| | <u>40,867</u> | <u>45,070</u> |
| Total interest expense | <u>40,867</u> | <u>45,070</u> |
| Net interest income | 1,076,000 | 995,854 |
| Loan loss provision | <u>-</u> | <u>-</u> |
| Net interest income after loan loss provision | <u>1,076,000</u> | <u>995,854</u> |
| NON-INTEREST INCOME | | |
| Service charges on deposit accounts | 20,116 | 15,968 |
| Interchange fee income | 30,947 | 29,361 |
| Other | 12,614 | 7,058 |
| | <u>63,677</u> | <u>52,387</u> |
| Total non-interest income | <u>63,677</u> | <u>52,387</u> |
| NON-INTEREST EXPENSE | | |
| | <u>972,774</u> | <u>891,908</u> |
| Income before income taxes | 166,903 | 156,333 |
| Provision for income taxes | <u>51,200</u> | <u>51,100</u> |
| Net income * | <u>\$ 115,703</u> | <u>\$ 105,233</u> |
| Basic and diluted earnings per common share ** | <u>\$ 0.12</u> | <u>\$ 0.11</u> |
| Weighted average common shares outstanding: | | |
| Basic and diluted | 998,999 | 998,999 |

* Net Income would have been approximately \$151,000 without \$50,000 in nonrecurring expenses.

** EPS would have been \$0.15 without the \$50,000 in nonrecurring expense items.