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Willamette Community Bank reports 2017 results. Announces new Director

Albany, OR. - Willamette Community Bank (OTCQB: WMCB) reports 2017 results. "The results for 2017 reflect the direct impact of the opening of our third location in Salem, Oregon in March of 2017 on both the balance sheet and the income statement. Net income was expected to be lower than 2016 due to higher operating expenses associated with the new location. When coupled with the strong loan and core deposit growth in Salem, overall performance exceeded expectations", states Willamette Community Bank CEO Dan McDowell.

Total assets as of 12/31/2017 were \$118M, up \$20.6M or 21% from prior year end. The year end position was a reduction from 9/30/2017 because of year end seasonality in deposit balances. Loans increased \$18M to \$92M as of 12/31/2017, up 23% from 12/31/2016 and 2.6% from 9/30/2017 levels. The loan mix remains favorable with owner occupied real estate comprising most of our real estate loans and solid positions in commercial and agricultural loans. Credit quality remains strong with the nonperforming assets to total assets ratio at 0.50% and well below the national average of 0.62%.

Total deposits at the end of 2017 were \$107M, up \$20M or 23% from prior year and provided a stable funding platform the increased loan growth. Funding and liquidity remain well matched to our balance sheet activity on the asset side. Our average cost of funds remains low at 0.27%, which is below national average of 0.47% and well positioned to withstand anticipated rate increases.

Net income for 2017 was \$440K versus \$559K in 2016. The lower income was a direct result of increased operating and occupancy expenses associated with the Salem expansion. On a linked quarter basis, net income for Q4 2017 was \$127K versus \$118K in Q3 2017, reflecting the continued growth in earning assets. Q4 2017 included two one-time events, an increase taxes relating to the late-year tax code changes and the collection of a prepayment penalty. Pretax, pre-provision income is a better indicator of changes in core operating profitability. The pretax, pre-provision income for Q4 2017 was \$253k and compares favorably to the same element in both Q3 2017 of \$124K and Q4 2016 of \$218K. The net interest margin remains strong at 4.44% and significantly better than national peers at 3.88%. Chief Financial Officer Bob Moore states, "Our balanced focus on growing the bank, coupled with mindful investment, position us well for future earnings improvement and a lower overhead ratio."

Addition to Board of Directors

James E. (Jim) Green of Salem, Oregon was appointed to the Board of Directors of Willamette Community Bank in October 2017. Jim brings extensive experience in financial matters and governance as a long time Chief Financial Officer for a regional aviation fuel wholesaler with a national footprint and more than \$1.50 Billion in revenues. CEO McDowell said, "We are

thrilled to have a Director of Jim's capability and experience join our Board. With our strong performance in 2017 and plans for growth in the coming years, Jim's background is an ideal fit for helping us achieve our goals."

Full financials are available on our website at www.willamettecommunitybank.com.