

For immediate release: July 26, 2018

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Willamette Community Bank reports quarterly results

Albany, OR - Willamette Community Bank (OTCQB: WMCB) based in Albany, Oregon, reports continued growth in the second quarter of 2018. Total Assets increased \$17 million over year-end 2017 to finish the quarter at \$136 million. This represents a 14.5 percent increase from year-end and a 17.5 percent increase over the same period last year. Growth for the first half of 2018 is balanced, with deposit growth at 9.8 percent and loan growth at 10.7 percent from year-end 2017.

Net income through June 2018 was \$212,000, an increase of \$18,000 over the same period in 2017. On a pre-tax/pre-provision basis, net income was \$333,000 compared to \$280,000 for the first half of 2017, an increase year over year of 18.9%. Net interest income was up \$600,500, an increase of 28.5 percent while non-interest income was up \$39,000, an increase of 31.2 percent over the same period in 2017.

Loans grew 23.2 percent compared to the same period last year, finishing the quarter at \$102 million. “We continue to see the strengthening of the local economies in our markets with continued loan growth”, said Willamette Community Bank President and CEO Joan Reukauf. “Our loan growth is coming from the growth of our current customers, as well as a healthy demand from new customers in the Albany, Salem, and Lebanon markets.” Deposits also grew 12.7 percent compared to the same period last year, increasing \$13 million to finish the second quarter at \$117.7 million.

Loan quality continues to be strong with the trend remaining stable over the last 12 months and an improvement in total criticized assets to 3.9 percent of total loans from 4.2 percent over year-end 2017. The loan growth has resulted in an increase to the allowance for loan losses of \$88,000. “We expect loan growth to continue with a growing pipeline of opportunities which will result in accumulation in the allowance,” said Reukauf.

Non-interest expense was up \$587,000, an increase of 30.1 percent compared to the same period last year. The increase is primarily driven by salary and benefit increases due to hiring additional staff to support the growth that we have experienced in 2017 and planned growth for 2018 and beyond. An increase in lease expense and building improvements are also part of that expense due to a growing staff and the need for additional space.

The capital raised during the first quarter 2018 has allowed us to invest in expanding our team, helping to keep the bank on its growth trajectory while strengthening operations. The Bank welcomed Chris Ray and Greg Jackson to the teams in Salem and Albany, respectfully. Ray is a seasoned relationship manager established in the Salem market with extensive experience in sales and service. Jackson comes from the title company world where he spent 15 years managing and forging relationships in the communities of Albany, Lebanon, Corvallis, and Salem. Ray and Jackson join Kathy Giddings, one of our community banking experts, to form our Business Development group. Reukauf commented, “I am excited about our Business Development group and the different talents, skills, and connections they bring to the bank within all of our markets. They are truly a great addition to our institution.”

Willamette Community Bank serves its customers from three offices located in Albany, Lebanon and Salem. Full financials are available on our website at www.willamettecommunitybank.com.

This document includes forward-looking information, which is subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act and the Private Securities Litigation Reform Act of 1995. When the Bank uses or incorporates by reference in this letter the words "anticipate," "estimate," "expect," "project," "intend," "commit," "believe" and similar expressions, the Company intends to identify forward-looking

statements. Our actual results may differ materially from those projected in any forward-looking statements, as they will depend on many factors about which we are unsure, including many factors which are beyond our control.

Performance Highlights	June 2018 (unaudited)	June 2017 (unaudited)
Total Assets	\$136,113,395	\$115,826,515
Loans	102,009,006	82,816,193
Deposits	117,749,791	104,464,377
Shareholders' Equity	18,206,789	11,282,268
Net Income	\$212,067	\$194,349
Book Value	\$9.92	\$10.85