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## **Willamette Community Bank reports 18% growth**

**Albany, OR**, October 25, 2018- Willamette Community Bank (the “Bank”) (OTCQB: WMCB) based in Albany, Oregon, reports continued growth in the third quarter of 2018. Total Assets increased \$21.5 million over year-end 2017 to finish the quarter at \$140.4 million. This represents an 18% increase from year-end and a 15% increase over the same period last year.

Net income increased 121% to \$183,000 for the third quarter 2018, compared to \$83,000 for the second quarter 2018 and increased 55% compared to \$118,000 for the third quarter 2017. “Concentration on growing our balance sheet and a focus on expense control resulted in strong growth in net income”, said Willamette Community Bank President and CEO Joan Reukauf. “Initiatives to invest in our people and programs are gaining momentum and providing the lift in our performance. Our net interest margin is healthy at 4.48%. Net interest income grew 27% year over year and is up 5% from the previous quarter.”

“Credit quality continues to be good with an improvement in total criticized assets to 2.94% of total loans compared to 3.9% from the linked quarter and 4.2% over year-end 2017” Reukauf commented. “Our strong loan growth has resulted in an increase in the allowance for loan losses of \$137,000. We continue to closely monitor our credit portfolio both for quality and concentrations, aligning our risk management with our growth strategy.”

### **Financial Highlights (as of, or for the period ending September 30, 2018, except as noted)**

- Net income increased through September 2018 to \$395,000, or \$0.29 per share, an increase of \$83,000 over the same period in 2017. On a pre-tax/pre-provision basis, net income was \$605,000 compared to \$451,000 for the first three quarters of 2017, an increase year over year of 34%.
- Net interest income is up \$892,000, an increase of 27% while non-interest income was up \$81,000, an increase of 44% over the same period in 2017.”
- Return on average assets (ROAA) increased by 52% to 0.52% and return on average equity increased by 54% to 3.97% compared to 0.25% and 1.83%, respectively, for the second quarter of 2018.
- Loans grew 13% compared to the same period last year, finishing the quarter at \$101.7 million.
- Total deposits increased 4% to \$121.9 million, compared to \$117.7 million for the second quarter 2018 and are up 14% from year end 2017.
- The Bank’s capital ratios exceeded the regulatory guidelines for a well-capitalized financial institution under current regulatory requirement.

Willamette Community Bank serves its customers from three offices located in Albany, Lebanon and Salem.

*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.*



# Willamette

## Community Bank

### Statements of Financial Condition

	September 30,		
	2018	2017	
	(unaudited)	(unaudited)	\$ Change
<b>Assets</b>			
Cash and due from banks	2,583,165	1,992,800	590,365
Fed funds sold & repos	-	-	-
Interest bearing deposits with banks	7,098,005	8,069,264	(971,259)
Investment Securities - Taxable	18,186,366	14,888,867	3,297,499
Investment Securities - Tax-exempt	4,480,829	5,295,068	(814,239)
Mortgage loans held for sale	-	-	-
Loans, net of unearned income	101,691,289	89,810,220	11,881,069
Less: Allowance for loan losses	(1,278,568)	(1,103,886)	(174,682)
Premises and equipment, net	1,687,254	1,704,117	(16,863)
Accrued interest receivable	546,725	449,952	96,773
Other assets	5,430,045	736,538	4,693,507
<b>Total Assets</b>	<b>140,425,110</b>	<b>121,842,940</b>	<b>18,582,170</b>
<b>Liabilities</b>			
Non-Interest Bearing Deposits	32,040,056	30,386,080	1,653,976
Interest bearing demand deposits	13,822,336	10,427,620	3,394,716
Savings and Money Market Deposits	69,293,407	62,900,509	6,392,898
Time Deposits	6,751,276	6,641,354	109,922
<b>Total Deposits</b>	<b>121,907,075</b>	<b>110,355,563</b>	<b>11,551,512</b>
Accrued expenses and other liabilities	183,662	108,170	75,492
<b>Total Liabilities</b>	<b>122,090,737</b>	<b>110,463,733</b>	<b>11,627,004</b>
<b>Equity</b>			
Common stock	15,743,993	9,016,058	6,727,935
Retained earnings	2,516,072	2,076,384	439,688
Accumulated other comprehensive income (loss)	(321,053)	(26,018)	(295,035)
Net Income	395,361	312,783	82,578
<b>Total Equity</b>	<b>18,334,373</b>	<b>11,379,207</b>	<b>6,955,166</b>
<b>Total Liabilities &amp; Equity</b>	<b>140,425,110</b>	<b>121,842,940</b>	<b>18,582,170</b>



# Willamette

Community Bank

## Statements of Income

	Nine months ended		
	September 30		
	2018	2017	
	(unaudited)	(unaudited)	\$ Change
<b>Interest Income</b>			
Interest on Loans	3,912,402	3,087,796	824,606
Fees on Loans	113,124	62,888	50,236
Interest on federal funds sold	-	-	-
Interest on deposits with banks	54,607	65,836	(11,229)
Investment Securities - Taxable	269,194	152,408	116,786
Investment Securities - Tax-exempt	122,994	141,919	(18,925)
Total Interest Income	4,472,321	3,510,847	961,474
<b>Interest Expense</b>			
Interest bearing demand deposits	4,617	3,476	1,141
Savings and Money Market Deposits	229,346	167,043	62,303
Time Deposits - Retail	37,523	35,518	2,005
Total Interest Expense on Deposits	271,486	206,037	65,449
Interest on other borrowings	4,242	-	4,242
Total Interest Expense	275,728	206,037	69,691
<b>Net Interest Income</b>	<b>4,196,593</b>	<b>3,304,810</b>	<b>891,783</b>
Provision for loan losses	136,690	-	136,690
<b>Net In. Inc. After Prov. for Loan Losses</b>	<b>4,059,903</b>	<b>3,304,810</b>	<b>755,093</b>
<b>Non Interest Income</b>			
Service charges and fees	79,853	67,043	12,810
Other noninterest income	187,509	118,852	68,657
Total Non Interest Income	267,362	185,895	81,467
<b>Non Interest Expense</b>			
Salaries and employee benefits	2,010,164	1,555,601	454,563
Occupancy	471,860	383,041	88,819
Other noninterest expense	1,376,480	1,101,380	275,100
Total Non Interest Expense	3,858,504	3,040,022	818,482
<b>Income Before Taxes</b>	<b>468,761</b>	<b>450,683</b>	<b>18,078</b>
Income taxes	73,400	137,900	(64,500)
<b>Net Income</b>	<b>395,361</b>	<b>312,783</b>	<b>82,578</b>