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Willamette Community Bank reports quarterly earnings

Albany, OR – July 12, 2019- Willamette Community Bank (the “Bank”) (OTCQB: WMCB) based in Albany, Oregon, reports net income in the second quarter 2019 of \$182,000, an increase of \$99,000 or 120% over the same period in the previous year. “We have performed well the first half of the year by controlling expenses and creating efficiencies where we can,” said Willamette Community Bank President and CEO Joan Reukauf. “Pre-tax, pre-provision income nearly doubled in the second quarter to \$530,000 and increased 59% year over year compared to totals during the same period in 2018.”

Loan growth continued through the second quarter of 2019. Loan totals increased 6% in the second quarter to \$115 million. “Our focus continues to be on quality, sustainable growth,” Reukauf commented. “Our team of community-minded bankers are a great resource to small businesses and, in return, we are able to source and book quality loans, helping us to grow along with the communities we serve.” This loan growth represents an increase of our loan portfolio of 13% year over year compared to totals during the same period in 2018. Credit quality remains strong with an improvement in our percentage of non-performing assets from 1.86% to 1.37%.

Deposits remain at healthy levels with a 90% loan to deposit ratio in the second quarter. “A rising rate environment in the last two quarters made it challenging to grow deposit totals,” commented Reukauf. “That, and the seasonality that we tend to experience around this time of year within our communities contributed to subdued growth in our deposit portfolio.” Deposits have increased by 9% year over year compared to totals during the same period in 2018. “We continue to be vigilant over our cost of funds with focus on market expectations and, ultimately, the bank’s profitability. Our net interest margin at 4.36% remains among one of the highest in our peer group,” Reukauf continued.

The bank announced the addition of two very qualified, motivated commercial team leaders in the second quarter. “Rick Garrison and Dave Takata are amazing additions to our team, both with over 30+ years of banking and finance experience. The two of them will be instrumental in our future growth and community development. Their leadership will be key to building our Albany, Lebanon, and Salem teams and taking our institution to the next level,” commented Reukauf.

Financial Highlights (as of, or for the period ending June 30, 2019, except as noted)

- Net income YTD is \$340,000, an increase of \$128,000 over the same period in the previous year. This represents an LTM \$0.41 per share return compared to LTM \$0.36 per share in March. On a pre-tax/pre-provision basis, net income for the second quarter is \$253,000, a 67% increase over the same period in 2018.
- Interest income increased year over year, compared to 2018, by 15% to \$3.3 million. Non-interest income increased by 57% from \$164,000 in 2018 to \$257,000 in 2019.
- Return on average assets (ROAA) increased to 0.46%. Compared to the same period in 2018, ROAA was 0.33%. Return on average equity (ROAE) is 3.60% compared to 2.68% over the same period in 2018.
- Loans grew 10% compared to 2018 end of year totals, finishing the quarter at \$115 million.

- 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. 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 2019 (unaudited)	June 2018 (unaudited)
Total Assets	\$150,638,226	\$136,113,395
Loans	114,944,742	102,009,006
Deposits	127,713,484	117,749,791
Shareholders' Equity	19,540,853	18,206,790
Net Income	\$340,081	\$212,067
Book Value	\$10.52	\$9.92



Willamette

Community Bank

Statements of Financial Condition

	June 30,		
	2019	2018	
	(unaudited)	(unaudited)	\$ Change
Assets			
Cash and due from banks	1,940,863	2,068,816	(127,953)
Fed funds sold & repos	-	-	-
Interest bearing deposits with banks	13,884	3,960,395	(3,946,511)
Investment Securities - Taxable	19,936,056	19,038,791	897,265
Investment Securities - Tax-exempt	4,472,363	4,483,635	(11,272)
Mortgage loans held for sale	-	-	-
Loans, net of unearned income	114,944,742	102,009,006	12,935,736
Less: Allowance for loan losses	(1,422,683)	(1,230,138)	(192,545)
Premises and equipment, net	3,649,972	1,700,292	1,949,680
Accrued interest receivable	568,591	484,381	84,210
Other assets	6,534,438	3,598,217	2,936,221
Total Assets	150,638,226	136,113,395	14,524,831
Liabilities			
Non-Interest Bearing Deposits	37,343,829	34,298,893	3,044,936
Interest bearing demand deposits	12,801,000	13,117,483	(316,483)
Savings and Money Market Deposits	69,274,601	63,845,990	5,428,611
Time Deposits	8,294,054	6,487,425	1,806,629
Total Deposits	127,713,484	117,749,791	9,963,693
Accrued expenses and other liabilities	1,383,887	156,815	1,227,072
Fed funds purchased	2,000,000	-	2,000,000
Total Liabilities	131,097,371	117,906,606	13,190,765
Equity			
Common stock	15,957,515	15,743,993	213,522
Retained earnings	3,150,321	2,516,072	634,249
Accumulated other comprehensive income (loss)	92,938	(265,343)	358,281
Net Income	340,081	212,067	128,014
Total Equity	19,540,855	18,206,789	1,334,066
Total Liabilities & Equity	150,638,226	136,113,395	14,524,831



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Community Bank

Statements of Income

	Six months ended		
	June 30		
	2019	2018	
	(unaudited)	(unaudited)	\$ Change
Interest Income			
Interest on Loans	2,905,978	2,522,928	383,050
Fees on Loans	24,983	69,267	(44,284)
Interest on federal funds sold	-	-	-
Interest on deposits with banks	69,860	31,138	38,722
Investment Securities - Taxable	217,980	170,551	47,429
Investment Securities - Tax-exempt	81,875	82,040	(165)
Total Interest Income	3,300,676	2,875,924	424,752
Interest Expense			
Interest bearing demand deposits	7,769	2,901	4,868
Savings and Money Market Deposits	262,460	138,792	123,668
Time Deposits - Retail	54,070	23,345	30,725
Total Interest Expense on Deposits	324,299	165,038	159,261
Interest on other borrowings	579	4,242	(3,663)
Total Interest Expense	324,878	169,280	155,598
Net Interest Income	2,975,798	2,706,644	269,154
Provision for loan losses	99,000	88,260	10,740
Net In. Inc. After Prov. for Loan Losses	2,876,798	2,618,384	258,414
Non Interest Income			
Service charges and fees	60,309	49,593	10,716
Other noninterest income	197,067	114,736	82,331
Total Non Interest Income	257,376	164,329	93,047
Non Interest Expense			
Salaries and employee benefits	1,375,437	1,347,132	28,305
Occupancy	365,227	311,644	53,583
Other noninterest expense	962,729	879,470	83,259
Total Non Interest Expense	2,703,393	2,538,246	165,147
Income Before Taxes	430,781	244,467	186,314
Income taxes	90,700	32,400	58,300
Net Income	340,081	212,067	128,014