

For immediate release: October 18, 2019

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Willamette Community Bank reports record earnings

Albany, OR – October 18, 2019- Willamette Community Bank (the “Bank”) (OTCQB: WMCB) based in Albany, Oregon, reports net income through the third quarter 2019 of \$526,000, an increase of \$131,000 or 33% over the same period in the previous year. “Concentration on growing our balance sheet and a focus on expense control resulted in continued growth in net income year over year,” said Willamette Community Bank President and CEO Joan Reukauf.

Loan growth continued through the third quarter of 2019. Loan totals increased 6% in the third quarter to \$122 million. This loan growth represents an increase of our loan portfolio of 20% year over year compared to totals during the same period in 2018. “We continue to see good loan demand from our current client base, as well as new credit requests from the communities that we proudly serve,” commented Reukauf. Credit quality remains strong with an improvement in our percentage of non-performing assets from 1.37% to 1.26%.

Deposits have increased by 10% year over year compared to totals during the same period in 2018. “Increased cost of deposits has forced us to turn our attention to retention of deposits. Despite an increase in cost of funds year over year, we still maintain a healthy net interest margin of 4.40%,” commented Reukauf. “While deposit gathering has been an industry challenge, we are keeping up with loan demand, providing funding for our growth.”

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

- Net income YTD is \$526,000, an increase of \$131,000 over the same period in the previous year. Earnings per share (LTM) were \$0.41 at quarter end. On a pre-tax/pre-provision basis, net income for the third quarter is \$842,000, a 39% increase over the same period in 2018.
- Net interest income increased by 8% compared to the same period in 2018 to \$4.5 million. Non-interest income increased by 43% from \$267,000 in 2018 to \$382,000 in 2019.
- Return on average assets (ROAA) increased to 0.47%. Compared to the same period in 2018, ROAA was 0.40%. Return on average equity (ROAE) is 3.66% compared to 3.16% over the same period in 2018.
- Loans grew 16% compared to 2018 end of year totals, finishing the quarter at \$122 million. There were no loans that carried past due at quarter end.
- 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	September 2019 (unaudited)	September 2018 (unaudited)
Total Assets	\$154,979,904	\$140,425,110
Loans	121,795,607	101,691,289
Deposits	133,593,668	121,907,075
Shareholders' Equity	19,729,593	18,334,373
Net Income	\$526,451	\$395,361
Book Value	\$10.62	\$9.99

*Statements of Financial Condition and Income can be seen below



Willamette

Community Bank

Statements of Financial Condition

	September 30,		
	2019	2018	
	(unaudited)	(unaudited)	\$ Change
Assets			
Cash and due from banks	3,817,480	2,583,165	1,234,315
Fed funds sold & repos	-	-	-
Interest bearing deposits with banks	189,336	7,098,005	(6,908,669)
Investment Securities - Taxable	15,536,100	18,186,366	(2,650,266)
Investment Securities - Tax-exempt	4,469,473	4,480,829	(11,356)
Mortgage loans held for sale	-	-	-
Loans, net of unearned income	121,795,607	101,691,289	20,104,318
Less: Allowance for loan losses	(1,507,262)	(1,278,568)	(228,694)
Premises and equipment, net	3,598,444	1,687,254	1,911,190
Accrued interest receivable	597,401	546,725	50,676
Other assets	6,483,325	5,430,045	1,053,280
Total Assets	154,979,904	140,425,110	14,554,794
Liabilities			
Non-Interest Bearing Deposits	38,053,106	32,040,056	6,013,050
Interest bearing demand deposits	12,868,879	13,822,336	(953,457)
Savings and Money Market Deposits	72,206,840	69,293,407	2,913,433
Time Deposits	10,464,843	6,751,276	3,713,567
Total Deposits	133,593,668	121,907,075	11,686,593
Accrued expenses and other liabilities	1,291,643	183,663	1,107,980
Fed funds purchased	365,000	-	365,000
Total Liabilities	135,250,311	122,090,738	13,159,573
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)	95,306	(321,054)	416,360
Net Income	526,451	395,361	131,090
Total Equity	19,729,593	18,334,372	1,395,221
Total Liabilities & Equity	154,979,904	140,425,110	14,554,794



Willamette

Community Bank

Statements of Income

	Nine months ended September 30		
	2019 (unaudited)	2018 (unaudited)	\$ Change
Interest Income			
Interest on Loans	4,494,129	3,912,403	581,726
Fees on Loans	49,367	113,124	(63,757)
Interest on federal funds sold	-	-	-
Interest on deposits with banks	79,856	54,607	25,249
Investment Securities - Taxable	307,444	269,194	38,250
Investment Securities - Tax-exempt	122,746	122,994	(248)
Total Interest Income	5,053,542	4,472,322	581,220
Interest Expense			
Interest bearing demand deposits	11,720	4,617	7,103
Savings and Money Market Deposits	416,933	229,346	187,587
Time Deposits - Retail	98,458	37,523	60,935
Total Interest Expense on Deposits	527,111	271,486	255,625
Interest on other borrowings	4,113	4,242	(129)
Total Interest Expense	531,224	275,728	255,496
Net Interest Income	4,522,318	4,196,594	325,724
Provision for loan losses	183,579	136,690	46,889
Net In. Inc. After Prov. for Loan Losses	4,338,739	4,059,904	278,835
Non Interest Income			
Service charges and fees	88,022	79,853	8,169
Other noninterest income	293,987	187,508	106,479
Total Non Interest Income	382,009	267,361	114,648
Non Interest Expense			
Salaries and employee benefits	2,121,480	2,010,164	111,316
Occupancy	538,679	471,860	66,819
Other noninterest expense	1,402,638	1,376,480	26,158
Total Non Interest Expense	4,062,797	3,858,504	204,293
Income Before Taxes	657,951	468,761	189,190
Income taxes	131,500	73,400	58,100
Net Income	526,451	395,361	131,090