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## **Willamette Community Bank Reports First Quarter Earnings**

**Albany, OR** – April 22, 2020- Willamette Community Bank (the “Bank”) (OTCQB: WMCB) based in Albany, Oregon, releases its financial results for the first quarter of 2020. The bank grew total assets to \$157 million, an increase of 4% or \$6.5 million over year end, 2019. “We were able to grow deposits in the first quarter of 2020 by 5%, giving us the lift in total assets” said Willamette Community Bank President and CEO Joan Reukauf. Net income for the first quarter 2020 came in at \$98,000. “A rising deposit rate market in 2019, coupled with an unusual occurrence of loan market rates not moving in tandem, created a situation of stagnant interest income returns for the first quarter” commented Reukauf.

Loan totals reached \$127 million in the first quarter, an increase in our loan portfolio of 16.6% year over year compared to totals during the same period in 2019. Loan growth was accompanied by a decrease in non-performing assets. “We were able to improve our percentage of non-performing assets from 1.37% to 1.32% quarter over quarter” commented Reukauf. “As loan activity continued to pick up in the first quarter, continuing to focus on building a robust pipeline for sustained loan growth, we remain vigilant over non-performing assets and continue to see improvement as a percentage of total loans” Reukauf continued. “In light of current circumstance and effects on economies nationwide, the bank has increased its reserve to outstanding loans from \$1.398M at the end of the first quarter 2019 to \$1.567M at the end of the same quarter in 2020.

“Focus in the last several weeks has turned almost entirely to the effect of COVID-19 not only on our operation but on our customers and local economies. We are proud of the way we have reacted to this pandemic situation by taking measures to protect our employees and customers as best we can. Proactively contacting our customers during this time and being responsive to their situation was a natural response for our bank. We are especially proud to have been a participating community bank in the recent Paycheck Protection Program (PPP), helping our local small businesses and communities by receiving funding approval for more than \$15 million dollars in SBA guaranteed loans. We are hopeful that this program will receive more funding, ensuring more of our local businesses receive these much-needed dollars to get them through this unprecedented period in our economy. It’s times like these that are a true test of community banks and the reason why we exist – to support our communities through both the good and the bad. We will make a difference with our action and reaction to this pandemic for our communities and local businesses,” commented Reukauf.

### **Financial Highlights (as of, or for the period ending March 31, 2020, except as noted)**

- Net income for the first quarter is \$98,000, or \$0.35 per share. On a pre-tax/pre-provision basis, income for the first quarter is \$149,000.
- Net interest income increased year over year compared to first quarter 2019 by 3.9% to \$1.70 million. Non-interest income came in at \$122,000, a slight decrease of 4.5% compared to the same period in 2019.
- Return on average assets (ROAA) decreased to 0.26% for the first quarter compared to the same period in 2019 of 0.43%, while return on average equity (ROAE) decreased to 1.96% from 3.39% over the same period.

- Loans grew 4.1% compared to 2019 end of year totals, finishing the quarter at \$127 million.
- Deposits grew 4.9 compared to 2019 end of year totals, finishing the quarter at \$136 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](http://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.*

<b>Performance Highlights</b>	<b>March 2020 (unaudited)</b>	<b>March 2019 (unaudited)</b>
Total Assets	\$157,036,878	\$148,808,342
Loans	\$126,672,627	\$108,647,556
Deposits	\$135,631,163	\$129,428,968
Shareholders' Equity	\$20,123,700	\$19,005,325
Net Income	\$98,000	\$157,772
Book Value	\$10.83	\$10.36



# Willamette

## Community Bank

### Statements of Financial Condition

	March 31,		
	2020	2019	
	(unaudited)	(unaudited)	\$ Change
<b>Assets</b>			
Cash and due from banks	1,144,011	2,506,824	(1,362,813)
Fed funds sold & repos	-	-	-
Interest bearing deposits with banks	7,349,851	4,288,558	3,061,293
Investment Securities - Taxable	8,472,152	20,497,554	(12,025,402)
Investment Securities - Tax-exempt	4,463,634	4,475,160	(11,526)
Mortgage loans held for sale	-	-	-
Loans, net of unearned income	126,672,627	108,647,556	18,025,071
Less: Allowance for loan losses	(1,567,341)	(1,397,933)	(169,408)
Premises and equipment, net	3,522,354	3,701,251	(178,897)
Accrued interest receivable	499,144	510,547	(11,403)
Other assets	6,480,446	5,578,825	901,621
<b>Total Assets</b>	<b>157,036,878</b>	<b>148,808,342</b>	<b>8,228,536</b>
<b>Liabilities</b>			
Non-Interest Bearing Deposits	37,159,658	39,450,132	(2,290,474)
Interest bearing demand deposits	13,285,638	11,994,214	1,291,424
Savings and Money Market Deposits	73,173,166	70,545,075	2,628,091
Time Deposits	12,012,701	7,439,547	4,573,154
<b>Total Deposits</b>	<b>135,631,163</b>	<b>129,428,968</b>	<b>6,202,195</b>
Accrued expenses and other liabilities	1,282,015	374,049	907,966
<b>Total Liabilities</b>	<b>136,913,178</b>	<b>129,803,017</b>	<b>7,110,161</b>
<b>Equity</b>			
Common stock	15,957,515	15,743,993	213,522
Retained earnings	3,850,656	3,150,321	700,335
Accumulated other comprehensive income (loss)	217,719	(46,761)	264,480
Net Income	97,810	157,772	(59,962)
<b>Total Equity</b>	<b>20,123,700</b>	<b>19,005,325</b>	<b>1,118,375</b>
<b>Total Liabilities &amp; Equity</b>	<b>157,036,878</b>	<b>148,808,342</b>	<b>8,228,536</b>



# Willamette

Community Bank

## Statements of Income

	Three months ended		
	March 31		
	2020	2019	
	(unaudited)	(unaudited)	\$ Change
<b>Interest Income</b>			
Interest on Loans	1,576,158	1,428,430	147,728
Fees on Loans	7,414	11,478	(4,064)
Interest on federal funds sold	-	-	-
Interest on deposits with banks	18,595	46,696	(28,101)
Investment Securities - Taxable	53,143	105,608	(52,465)
Investment Securities - Tax-exempt	40,826	40,911	(85)
Total Interest Income	1,696,136	1,633,123	63,013
<b>Interest Expense</b>			
Interest bearing demand deposits	3,197	3,554	(357)
Savings and Money Market Deposits	160,080	126,174	33,906
Time Deposits - Retail	58,889	21,510	37,379
Total Interest Expense on Deposits	222,166	151,238	70,928
Interest on other borrowings	-	-	-
Total Interest Expense	222,166	151,238	70,928
<b>Net Interest Income</b>	<b>1,473,970</b>	<b>1,481,885</b>	<b>(7,915)</b>
Provision for loan losses	25,000	74,250	(49,250)
<b>Net In. Inc. After Prov. for Loan Losses</b>	<b>1,448,970</b>	<b>1,407,635</b>	<b>41,335</b>
<b>Non Interest Income</b>			
Service charges and fees	27,173	31,140	(3,967)
Other noninterest income	94,997	96,761	(1,764)
Total Non Interest Income	122,170	127,901	(5,731)
<b>Non Interest Expense</b>			
Salaries and employee benefits	770,020	677,577	92,443
Occupancy	187,424	175,725	11,699
Other noninterest expense	489,586	479,762	9,824
Total Non Interest Expense	1,447,030	1,333,064	113,966
<b>Income Before Taxes</b>	<b>124,110</b>	<b>202,472</b>	<b>(78,362)</b>
Income taxes	26,300	44,700	(18,400)
<b>Net Income</b>	<b>97,810</b>	<b>157,772</b>	<b>(59,962)</b>