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Willamette Community Bank Reports Third Quarter Earnings

Albany, OR – October 23, 2020- Willamette Community Bank (the “Bank”) (OTCQB: WMCB) based in Albany, Oregon, releases its financial results for the third quarter of 2020. The bank grew total assets to \$210 million, an increase of 35% or \$55 million compared to the same period in the previous year. “While most of our growth this year is as a result of the Payment Protection Program which took effect in the second quarter, deposits continued to grow by 11% in the third quarter,” said Willamette Community Bank President and CEO Joan Reukauf. Earnings for the first three quarters of 2020 totaled \$507,550. “Our participation in the PPP program has helped our earnings stay strong through the third quarter despite the current low rate environment,” commented Reukauf

Loan totals came in at \$147 million in the third quarter. “Loan growth has been sluggish with the unknowns of COVID-19 seemingly affecting the use and establishment of credit facilities. Small business owners were looking to ensure survival, putting growth plans on hold in lieu of better answers to a worldwide pandemic,” commented Reukauf. Non-performing assets continue to decrease and at quarter end totaled \$788,460 or .54% of total loans. “The quality of our portfolio has been a primary focus as we continue to reach out to our customers, checking in on their financial health and offering any tools we can,” commented Reukauf.

Deposit totals came in at \$181 million. So far this year, deposit totals have grown 40%. “We continue to see good core growth in deposits from both new and seasoned relationships,” commented Reukauf. “ Our participation the PPP earlier this year, as well as our continued outreach to customers, has provided a partnership platform in which we are able to deliver financial peace of mind as we help both existing and new customers work through this unusual time in our history.”

“2020 is proving to be a challenging year and this last quarter was no exception. News of wildfires spreading through our state, affecting our communities, customers, and employees was gut wrenching. As we learned of the devastation happening right before us, many felt powerless, asking themselves what they could possibly do to help. Our company wide efforts to help in any way we could from supplies, to volunteering, to cash donations, has quickly become one of the proudest moments in WCB history,” commented Reukauf.

Financial Highlights (as of, or for the period ending September 2020, except as noted)

- Net income for the third quarter is \$507,550, or \$0.37 LTM per share. On a pre-tax/pre-provision basis, YTD income is \$822,950.
- Net interest income increased year over year compared to third quarter 2019 by 7.4%, to \$4.9 million. Non-interest income came in at \$354,455, a decrease of 7.2% compared to the same period in 2019. This decrease is mostly due to our way of helping our customers by not charging our normal fees for a short period of time in 2020.
- YTD return on average assets (ROAA) increased quarter over quarter to 0.38% from .35% during the third quarter, while YTD return on average equity (ROAE) increased to 3.34% from 2.96% over the same period.

- Loans stayed essentially the same quarter to quarter at \$147 million. Loan totals for the year have grown 21% widely due to participation in the PPP.
- Deposits increased year over year compared to third quarter 2019 by 36% to \$181 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	September 2020 (unaudited)	September 2019 (unaudited)
Total Assets	\$209,887,453	\$154,979,904
Loans	\$147,027,589	\$121,795,607
Deposits	\$181,315,904	\$133,593,668
Shareholders’ Equity	\$20,502,739	\$19,729,593
Net Income	\$507,550	\$526,451
Book Value	\$11.04	\$10.62



Willamette

Community Bank

Statements of Financial Condition

	September 30,		
	2020	2019	
	(unaudited)	(unaudited)	\$ Change
Assets			
Cash and due from banks	1,995,551	3,817,480	(1,821,929)
Fed funds sold & repos	-	-	-
Interest bearing deposits with banks	27,082,674	189,336	26,893,338
Investment Securities - Taxable	20,313,641	15,536,100	4,777,541
Investment Securities - Tax-exempt	4,457,777	4,469,473	(11,696)
Mortgage loans held for sale	-	-	-
Loans, net of unearned income	147,027,589	121,795,607	25,231,982
Less: Allowance for loan losses	(1,717,341)	(1,507,262)	(210,079)
Premises and equipment, net	3,444,270	3,598,444	(154,174)
Accrued interest receivable	756,537	597,401	159,136
Other assets	6,526,755	6,483,325	43,430
Total Assets	209,887,453	154,979,904	54,907,549
Liabilities			
Non-Interest Bearing Deposits	51,502,606	38,053,106	13,449,500
Interest bearing demand deposits	14,938,293	12,868,879	2,069,414
Savings and Money Market Deposits	103,745,239	72,206,840	31,538,399
Time Deposits	11,129,766	10,464,843	664,923
Total Deposits	181,315,904	133,593,668	47,722,236
Accrued expenses and other liabilities	1,408,486	1,291,643	116,843
Other borrowings	6,660,324	365,000	6,295,324
Total Liabilities	189,384,714	135,250,311	54,134,403
Equity			
Common stock	15,957,515	15,957,515	-
Retained earnings	3,850,656	3,150,321	700,335
Accumulated other comprehensive income (loss)	187,018	95,306	91,712
Net Income	507,550	526,451	(18,901)
Total Equity	20,502,739	19,729,593	773,146
Total Liabilities & Equity	209,887,453	154,979,904	54,907,549



Willamette

Community Bank

Statements of Income

	Nine months ended		
	September 30		
	2020	2019	
	(unaudited)	(unaudited)	\$ Change
Interest Income			
Interest on Loans	4,889,462	4,494,129	395,333
Fees on Loans	290,738	49,367	241,371
Interest on federal funds sold	-	-	-
Interest on deposits with banks	27,167	79,856	(52,689)
Investment Securities - Taxable	151,206	307,444	(156,238)
Investment Securities - Tax-exempt	122,491	122,746	(255)
Total Interest Income	5,481,064	5,053,542	427,522
Interest Expense			
Interest bearing demand deposits	9,797	11,720	(1,923)
Savings and Money Market Deposits	439,423	416,933	22,490
Time Deposits	164,930	98,458	66,472
Total Interest Expense on Deposits	614,150	527,111	87,039
Interest on other borrowings	10,337	4,113	6,224
Total Interest Expense	624,487	531,224	93,263
Net Interest Income	4,856,577	4,522,318	334,259
Provision for loan losses	175,000	183,579	(8,579)
Net In. Inc. After Prov. for Loan Losses	4,681,577	4,338,739	342,838
Non Interest Income			
Service charges and fees	67,216	88,022	(20,806)
Other noninterest income	287,238	293,987	(6,749)
Total Non Interest Income	354,454	382,009	(27,555)
Non Interest Expense			
Salaries and employee benefits	2,421,974	2,121,480	300,494
Occupancy	543,096	538,679	4,417
Other noninterest expense	1,423,011	1,402,638	20,373
Total Non Interest Expense	4,388,081	4,062,797	325,284
Income Before Taxes	647,950	657,951	(10,001)
Income taxes	140,400	131,500	8,900
Net Income	507,550	526,451	(18,901)