



Willamette Community Bank to Merge With People's Bank of Commerce

Highlights of the Announced Transaction

- **Pro forma assets of approximately \$710 million**
- **4th largest bank headquartered in Oregon, ranked by pro forma assets**
- **Enhances geographic presence along I-5 corridor**

MEDFORD, Oregon, and Albany, Oregon November 5, 2020 – People's Bank of Commerce (OTCPK: PBCO) ("PBCO" or the "Company"), and Willamette Community Bank (OTCPK: WMCB), headquartered in Albany, Oregon, announced the signing of a definitive agreement whereby Willamette Community Bank will merge with and into People's Bank of Commerce. As of September 30, 2020, on a pro forma basis, the combined company would have approximately \$710 million in total assets and would operate nine branches in Southern Oregon and Willamette Valley markets.

"We are excited about this opportunity to bring together two banking franchises with similar philosophies to create a larger, stronger community bank in the state of Oregon" said Ken Trautman, CEO of People's Bank of Commerce. Trautman continued, "This is a logical combination to expand into the Willamette Valley which provides further growth opportunities and increases geographic diversification. The combined bank will have greater resources to invest in technology and be better positioned to provide customers with superior service, improve operational efficiencies and create strong returns for our shareholders and our communities."

Kerry Johnson, Chairman of Willamette Community Bank said, "On behalf of the Willamette Community Bank board of directors, I want to express our enthusiasm for this merger and our appreciation for our dedicated employees, faithful customers and supportive shareholders. People's Bank of Commerce is the perfect fit for us and I am excited about what we will achieve together."

Joan Reukauf, President and Chief Executive Officer of Willamette Community Bank added, "The Willamette Community Bank team looks forward to joining People's Bank of Commerce to create a larger combined bank which will be better positioned to meet the needs of our customers and communities and provide greater opportunities for our employees. We also believe this combination provides appealing operational scale and improved trading liquidity for our stockholders."

The Boards of People's Bank of Commerce and Willamette Community Bank unanimously approved the transaction, which is subject to, among other conditions, approval by the shareholders of People's Bank of Commerce and Willamette Community Bank, regulatory approval and other customary closing conditions. The transaction is expected to close in the first quarter of 2021.

The aggregate merger consideration consists of approximately 1.2 million shares of People's Bank of Commerce and \$1.5 million in cash. Based on the closing stock price of \$10.85 on November 4, 2020 for People's Bank of Commerce, the aggregate value of the merger consideration was approximately \$14.9 million, or \$8.02 per share. The value of the merger consideration will change based on the stock price of People's Bank of Commerce. On a per share basis, the value of the merger consideration can be calculated based on an exchange ratio of 0.6665 shares of People's Bank of Commerce, plus cash of \$0.785 in exchange for each share of Willamette Community Bank. Subject to aggregate consideration limitations and potential pro-rata adjustment, Willamette Community Bank shareholders will be offered the choice of receiving: i) 100% stock consideration, ii) 100% cash consideration or iii) the per share mix described above. On a pro forma basis upon closing, the Willamette Community Bank shareholders will own approximately 26% of outstanding People's Bank of Commerce shares.

Upon closing, Joan Reukauf will serve as Area President and Executive Vice President, Chief Operating Officer of People's Bank of Commerce. Three current members of Willamette Community Bank's board of directors will join the board of

directors of People's Bank of Commerce. After closing, Willamette Community Bank's three branches will continue to operate under the name Willamette Community Bank, a division of People's Bank of Commerce.

Willamette Community Bank has three branches in Albany, Salem and Lebanon, Oregon. As of September 30, 2020, Willamette Community Bank had \$210 million in total assets, \$147 million in gross loans held for investment and \$181 million in total deposits.

People's Bank of Commerce has six branches throughout Southern Oregon with their headquarters in Medford, Oregon. As of September 30, 2020, People's Bank of Commerce had \$500 million in total assets, \$356 million in gross loans held for investment and \$432 million in total deposits.

Advisors

D.A. Davidson & Co. served as financial advisor to People's Bank of Commerce and Miller Nash Graham & Dunn LLP served as legal counsel. Piper Sandler & Co. served as financial advisor to Willamette Community Bank and Buchalter APC served as legal counsel.

About People's Bank of Commerce

Founded in 1998, People's Bank of Commerce is the only locally owned and managed community bank in Southern Oregon. People's Bank of Commerce is a full service bank headquartered in Medford, Oregon with branches in Medford, Ashland, Central Point, Grants Pass and Klamath Falls. People's Bank of Commerce's stock trades on the over-the-counter market under the symbol PBCO. Additional information about the Bank is available in the investor section of the bank's website at: www.peoplesbank.bank.

About Willamette Community Bank

Founded in 2003, Willamette Community Bank is a full service bank headquartered in Albany, Oregon and serves customers from three offices located in Albany, Lebanon, and Salem. Willamette Community Bank's stock trades on the over-the-counter market under the symbol WMCB. More information can be found at www.willamettecommunitybank.com.

Forward-Looking Statements

Certain statements in this release may be deemed to be "forward-looking statements." Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties, particularly including but without limitation the risk that one or both parties may experience difficulties or delays in obtaining regulatory approval or stockholder approval, or in satisfying other conditions to closing the merger, and there can be no assurance that the merger will be consummated at the time or on the terms currently expected, or at all. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

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