

# **CONSOLIDATED STATEMENT OF CONDITION**

June 30, 2025





# Oregon Pacific Bancorp Announces Second Quarter 2025 Earnings Results

## Highlights:

- Second quarter net income of \$2.0 million; \$0.28 per diluted share.
- Quarterly tax equivalent net interest margin of 3.85%, expansion of 0.18% over prior quarter.
- Quarterly loan growth of \$8.9 million.
- Quarterly deposit growth of \$4.4 million.
- Quarterly return on average assets of 1.02%.

**Florence, Ore., July 24, 2025** – Oregon Pacific Bancorp (ORPB), the holding company of Oregon Pacific Bank, today reported net income of \$2.0 million, or \$0.28 per diluted share, for the quarter ended June 30, 2025, compared to \$1.7 million or \$0.23 per diluted share for the quarter ended March 31, 2025.

“We are pleased to report second quarter operating results, which reflected loan and deposit growth and increased profitability,” said Ron Green, President and CEO. “Expansion of the margin, and focused noninterest expense savings, supported enhanced financial performance. The bank continues to be mindful of the current economic environment and believes our local focus will continue to drive results.”

The bank’s second quarter net interest margin increased to 3.85%, up from 3.67% reported in the first quarter of 2025. The expansion was attributable to both an increase in the yield on loans, which increased to 5.65%, up from 5.53% the prior quarter, and a decrease in the cost of funds, which was reduced to 1.31% compared to 1.36% in the prior quarter.

Period-end loans, net of loan origination fees and costs, grew to \$591.8 million, representing quarterly growth of \$8.9 million. Quarterly loan production for new and renewed loans totaled \$40.7 million, with a weighted average effective rate of 7.03% and a weighted-average repricing life of 3.70 years. New production continues to occur at rates higher than the existing portfolio which has expanded the overall portfolio yield. Period-end deposits totaled \$699.7 million, representing quarterly growth of \$4.4 million, with growth primarily centered in non-interest-bearing demand deposits, which expanded \$8.5 million.

During the second quarter, the bank recorded net charge offs totaling \$176 thousand, which were attributable to two relationships, totaling \$153 thousand and \$23 thousand, respectively. The first relationship is a government guaranteed hospitality loan that originated in 2014. The second relationship is a smaller community-based business located in a coastal market.

Classified assets at June 30, 2025, reflected an increase of \$721 thousand from the first quarter of 2025, defined as loans and loan contingent liabilities internally graded substandard or worse, impaired loans, adversely classified securities and other real estate owned. The primary cause of the increase was the downgrade of one relationship, totaling \$2.2 million, for a manufacturer of wood products tied to the RV industry. The borrower is experiencing a cyclical decline in financial performance but remains profitable. This downgrade was partially offset by the upgrade of a owner-occupied nonprofit relationship totaling \$1.9 million. Additionally, during the second quarter the bank transferred property to Other Real Estate Owned (OREO) totaling \$157 thousand. This property is a vacant lot on nonaccrual status, which stopped payments following the death of a borrower. The bank anticipates selling the property in the third quarter, with minimal anticipated holding costs.

Second quarter 2025 noninterest income totaled \$2.1 million, which represented a decrease of \$57 thousand from the prior quarter, and an increase of \$126 thousand over the second quarter 2024. During the quarter, the Bank recognized \$1.1 million of trust fee income, a decrease of \$105 thousand from the prior quarter. Trust revenue is comprised of two components: 1) trust management revenue, and 2) transactional revenue or “extraordinary” revenue. Trust management revenue has increased due to onboarding of new clients, with the Bank’s trust assets under management increasing \$21.6 million since March 31, 2025. Transactional revenue is related to items outside the scope of standard trust administration. This is primarily comprised of fees for liquidation of real estate and is generally tied to the death of a trust client. As transactional revenue is event based, this can cause quarterly fluctuations. Below is a summary of the breakout of trust revenue.

	THREE MONTHS ENDED			SIX MONTHS ENDED	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Trust management revenue	\$ 1,053	\$ 989	\$ 899	\$ 2,042	\$ 1,694
Transactional Revenue	40	209	38	249	143
Trust fee income	<u>\$ 1,093</u>	<u>\$ 1,198</u>	<u>\$ 937</u>	<u>\$ 2,291</u>	<u>\$ 1,837</u>

For the quarter ended June 30, 2025, noninterest expense totaled \$6.5 million, representing a decrease of \$208 thousand from the prior quarter. The largest expense fluctuation occurred in the salaries and employee benefits category, which decreased \$141 thousand. The largest fluctuation was attributable to payroll taxes, which decreased \$61 thousand from the prior quarter. Payroll tax counters are generally reset on a calendar basis, so tax expense at the beginning of the year is typically higher, decreasing over the course of the year as employees reach wage caps.

Offsetting the decrease in salary expense was an increase in the outside services category. This fluctuation is primarily attributable to a change in the bank’s managed service provider, which occurred on June 30, 2025. In preparation for the conversion, the bank incurred duplicated expense during the second quarter, totaling approximately \$60 thousand. The duplicated services occurred to ensure no client or employee service disruptions and were discontinued effective June 30, 2025, which should result in third quarter outside services expense reduction.

## Forward-Looking Statement Safe Harbor

This release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (“PSLRA”). These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “estimates,” “intends,” “plans,” “goals,” “believes” and other similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could.” The forward-looking statements made represent Oregon Pacific Bank’s current estimates, projections, expectations, plans or forecasts of its future results and revenues, including but not limited to statements about performance, loan or deposit growth, loan prepayments, investment purchases, investment yields, strategic focus, capital position, liquidity, credit quality, special asset liquidation, noninterest income, noninterest expense and credit quality trends. These statements are not guaran-tees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Oregon Pacific Bank’s control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements. You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risks. Oregon Pacific Bancorp undertakes no obligation to publicly revise or update any forward-looking statement to reflect the impact of events or circumstances that arise after the date of this release. This statement is included for the express purpose of invoking the PSLRA’s safe harbor provisions.



(800) 997-7121 | (541) 997-7121



contact@opbc.com



www.OregonPacificBank.com

**CONSOLIDATED BALANCE SHEETS**

Unaudited (dollars in thousands)

	<b>June 30, 2025</b>	<b>March 31, 2025</b>	<b>June 30, 2024</b>
<b>ASSETS</b>			
Cash and due from banks	\$ 11,156	\$ 12,042	\$ 6,505
Interest bearing deposits	30,348	27,625	10,559
Securities	142,357	145,610	162,483
Loans, net of deferred fees and costs	591,795	582,939	563,002
Allowance for credit losses	(7,388)	(7,400)	(7,250)
Premises and equipment, net	13,187	13,193	13,403
Bank owned life insurance	10,304	10,223	9,002
Other real estate owned	157	-	-
Deferred tax asset	4,636	4,911	5,784
Other assets	8,710	8,485	8,354
<b>Total assets</b>	<b>\$ 805,262</b>	<b>\$ 797,628</b>	<b>\$ 771,842</b>
<b>LIABILITIES</b>			
<b>Deposits</b>			
Demand - non-interest bearing	\$ 162,426	\$ 153,956	\$ 154,226
Demand - interest bearing	280,434	276,594	285,802
Money market	133,416	140,373	119,863
Savings	66,665	67,566	64,458
Certificates of deposit	46,799	46,825	35,135
Brokered deposits	10,001	10,001	17,991
Total deposits	699,741	695,315	677,475
FHLB borrowings	7,500	7,500	7,500
Junior subordinated debenture	4,124	4,124	4,124
Subordinated debenture	14,877	14,852	14,777
Other liabilities	7,857	7,544	8,101
<b>Total liabilities</b>	<b>734,099</b>	<b>729,335</b>	<b>711,977</b>
<b>STOCKHOLDERS' EQUITY</b>			
Common stock	21,732	21,612	21,388
Retained earnings	55,296	53,287	47,538
Accumulated other comprehensive income, net of tax	(5,865)	(6,606)	(9,061)
<b>Total stockholders' equity</b>	<b>71,163</b>	<b>68,293</b>	<b>59,865</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>\$ 805,262</b>	<b>\$ 797,628</b>	<b>\$ 771,842</b>

**CONSOLIDATED STATEMENTS OF INCOME**

Unaudited (dollars in thousands, except per share data)

	<b>THREE MONTHS ENDED</b>			<b>SIX MONTHS ENDED</b>	
	<b>June 30, 2025</b>	<b>March 31, 2025</b>	<b>June 30, 2024</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>INTEREST INCOME</b>					
Loans	\$ 8,286	\$ 7,859	\$ 7,548	\$ 16,145	\$ 14,691
Securities	1,262	1,279	1,515	2,541	3,054
Other interest income	199	261	224	460	422
Total interest income	<u>9,747</u>	<u>9,399</u>	<u>9,287</u>	<u>19,146</u>	<u>18,167</u>
<b>INTEREST EXPENSE</b>					
Deposits	2,228	2,306	2,214	4,534	4,213
Borrowed funds	325	304	335	629	707
Total interest expense	<u>2,553</u>	<u>2,610</u>	<u>2,549</u>	<u>5,163</u>	<u>4,920</u>
<b>NET INTEREST INCOME</b>	7,194	6,789	6,738	13,983	13,247
Provision for credit losses on loans	164	-	141	164	181
Provision (credit) for unfunded commitments	-	-	10	-	(30)
Net interest income after provision (credit) for credit losses	<u>7,030</u>	<u>6,789</u>	<u>6,587</u>	<u>13,819</u>	<u>13,096</u>
<b>NONINTEREST INCOME</b>					
Trust fee income	1,093	1,198	937	2,291	1,837
Service charges	390	373	361	763	708
Mortgage loan sales	1	7	61	8	93
Merchant card services	123	117	125	240	237
Oregon Pacific Wealth Management income	356	339	316	695	617
Other income	123	109	160	232	257
Total noninterest income	<u>2,086</u>	<u>2,143</u>	<u>1,960</u>	<u>4,229</u>	<u>3,749</u>
<b>NONINTEREST EXPENSE</b>					
Salaries and employee benefits	3,852	3,993	3,634	7,845	7,267
Outside services	791	702	639	1,493	1,357
Occupancy & equipment	490	517	478	1,007	988
Trust expense	678	742	635	1,420	1,252
Loan and collection, OREO expense	18	14	20	32	34
Advertising	124	91	96	215	151
Supplies and postage	65	70	68	135	147
Other operating expenses	472	569	516	1,041	1,106
Total noninterest expense	<u>6,490</u>	<u>6,698</u>	<u>6,086</u>	<u>13,188</u>	<u>12,302</u>
Income before taxes	2,626	2,234	2,461	4,860	4,543
Provision for income taxes	<u>617</u>	<u>550</u>	<u>595</u>	<u>1,167</u>	<u>1,087</u>
<b>NET INCOME</b>	<u>\$ 2,009</u>	<u>\$ 1,684</u>	<u>\$ 1,866</u>	<u>\$ 3,693</u>	<u>\$ 3,456</u>

## Quarterly Highlights

	2nd Quarter 2025	1st Quarter 2025	4th Quarter 2024	3rd Quarter 2024	2nd Quarter 2024
<b>Earnings</b>					
Interest income	\$ 9,747	\$ 9,399	\$ 9,599	\$ 9,537	\$ 9,287
Interest expense	2,553	2,610	2,675	2,771	2,549
Net interest income	\$ 7,194	\$ 6,789	\$ 6,924	\$ 6,766	\$ 6,738
Provision for credit losses on loans	164	-	-	150	141
Provision (credit) for unfunded commitments	-	-	(30)	35	10
Noninterest income	2,086	2,143	2,155	2,038	1,960
Noninterest expense	6,490	6,698	6,147	6,179	6,086
Provision for income taxes	617	550	744	593	595
Net income	<u>\$ 2,009</u>	<u>\$ 1,684</u>	<u>\$ 2,218</u>	<u>\$ 1,847</u>	<u>\$ 1,866</u>
Average shares outstanding	7,164,363	7,151,365	7,136,389	7,134,259	7,135,227
Average diluted shares outstanding	7,190,105	7,170,304	7,154,126	7,153,663	7,154,631
Period end shares outstanding	7,164,144	7,164,470	7,138,259	7,134,259	7,135,227
Period end diluted shares outstanding	7,189,886	7,190,212	7,155,996	7,153,663	7,154,631
Earnings per share	\$ 0.28	\$ 0.24	\$ 0.31	\$ 0.26	\$ 0.26
Diluted earnings per share	\$ 0.28	\$ 0.23	\$ 0.31	\$ 0.26	\$ 0.26
<b>Performance Ratios</b>					
Return on average assets	1.02%	0.87%	1.12%	0.93%	0.96%
Return on average equity	11.85%	10.42%	14.01%	12.12%	13.01%
Net interest margin - tax equivalent	3.85%	3.67%	3.66%	3.59%	3.65%
Yield on loans	5.65%	5.53%	5.55%	5.47%	5.43%
Yield on securities	3.39%	3.41%	3.31%	3.48%	3.62%
Cost of deposits	1.31%	1.36%	1.36%	1.41%	1.30%
Cost of interest-bearing liabilities	1.86%	1.88%	1.89%	1.97%	1.83%
Efficiency ratio	69.94%	75.24%	67.71%	70.20%	70.00%
Full-time equivalent employees	146	148	145	144	143
<b>Capital</b>					
Tier 1 capital	\$ 91,437	\$ 90,548	\$ 89,133	\$ 87,101	\$ 85,416
Leverage ratio	11.52%	11.40%	11.19%	10.96%	10.82%
Common equity tier 1 ratio	14.82%	14.84%	14.86%	14.65%	14.36%
Tier 1 risk based ratio	14.82%	14.84%	14.86%	14.65%	14.36%
Total risk based ratio	16.07%	16.10%	16.11%	15.90%	15.61%
Book value per share	\$ 9.93	\$ 9.53	\$ 9.12	\$ 9.05	\$ 8.39

## Quarterly Highlights

	2nd Quarter 2025	1st Quarter 2025	4th Quarter 2024	3rd Quarter 2024	2nd Quarter 2024
<b>Asset quality</b>					
Allowance for credit losses (ACL)	\$ 7,388	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,250
Nonperforming loans (NPLs)	\$ 495	\$ 801	\$ 798	\$ 278	\$ 275
Nonperforming assets (NPAs)	\$ 652	\$ 801	\$ 798	\$ 278	\$ 275
Classified Assets <sup>(1)</sup>	\$ 11,271	\$ 10,550	\$ 8,132	\$ 10,363	\$ 11,778
Net loan charge offs (recoveries)	\$ 176	\$ -	\$ -	\$ -	\$ (91)
ACL as a percentage of net loans	1.25%	1.27%	1.29%	1.31%	1.29%
ACL as a percentage of NPLs	1492.53%	923.85%	927.32%	2661.87%	2636.36%
Net charge offs (recoveries) to average loans	0.03%	0.00%	0.00%	0.00%	-0.02%
Net NPLs as a percentage of total loans	0.08%	0.14%	0.14%	0.05%	0.05%
Nonperforming assets as a percentage of total assets	0.08%	0.10%	0.10%	0.03%	0.04%
Classified Asset Ratio <sup>(2)</sup>	11.53%	10.77%	8.42%	10.97%	12.63%
Past due as a percentage of total loans	0.08%	0.11%	0.06%	0.24%	0.19%
<b>Off-balance sheet figures</b>					
Unused credit commitments	\$ 103,063	\$ 94,843	\$ 98,616	\$ 99,229	\$ 97,763
Trust assets under management (AUM)	\$ 288,935	\$ 267,359	\$ 271,046	\$ 267,061	\$ 254,380
Oregon Pacific Wealth Management AUM	\$ 174,724	\$ 172,729	\$ 165,045	\$ 167,025	\$ 159,201
<b>End of period balances</b>					
Total securities	\$ 142,357	\$ 145,610	\$ 155,258	\$ 163,275	\$ 162,483
Total short term deposits	\$ 30,348	\$ 27,625	\$ 10,921	\$ 25,874	\$ 10,559
Total loans net of allowance	\$ 584,407	\$ 575,539	\$ 564,165	\$ 558,092	\$ 555,752
Total earning assets	\$ 766,445	\$ 758,119	\$ 739,677	\$ 756,571	\$ 737,936
Total assets	\$ 805,262	\$ 797,628	\$ 776,448	\$ 795,226	\$ 771,842
Total noninterest bearing deposits	\$ 162,426	\$ 153,956	\$ 141,719	\$ 156,296	\$ 154,226
Total brokered deposits	\$ 10,001	\$ 10,001	\$ 10,001	\$ 18,001	\$ 17,991
Total core deposits	\$ 689,740	\$ 685,314	\$ 666,616	\$ 677,587	\$ 659,484
Total deposits	\$ 699,741	\$ 695,315	\$ 676,617	\$ 695,588	\$ 677,475
<b>Average balances</b>					
Total securities	\$ 143,627	\$ 150,197	\$ 159,587	\$ 162,918	\$ 166,077
Total short term deposits	\$ 18,044	\$ 23,766	\$ 23,654	\$ 22,887	\$ 16,430
Total loans net of allowance	\$ 580,377	\$ 568,635	\$ 561,601	\$ 556,336	\$ 552,490
Total earning assets	\$ 751,538	\$ 751,933	\$ 754,173	\$ 751,371	\$ 744,050
Total assets	\$ 787,506	\$ 787,201	\$ 789,333	\$ 787,072	\$ 780,003
Total noninterest bearing deposits	\$ 158,985	\$ 149,802	\$ 152,844	\$ 158,888	\$ 156,858
Total brokered deposits	\$ 10,001	\$ 10,001	\$ 12,610	\$ 17,999	\$ 17,975
Total core deposits	\$ 672,711	\$ 675,953	\$ 676,900	\$ 671,949	\$ 668,008
Total deposits	\$ 682,712	\$ 685,954	\$ 689,510	\$ 689,948	\$ 685,983

<sup>(1)</sup> Classified assets is defined as the sum of all loan-related contingent liabilities and loans internally graded substandard or worse, impaired loans (net of government guarantees), adversely classified securities, and other real estate owned.

<sup>(2)</sup> Classified asset ratio is defined as the sum of all loan-related contingent liabilities and loans internally graded substandard or worse, impaired loans (net of government guarantees), adversely classified securities, and other real estate owned, divided by bank Tier 1 capital, plus the allowance for credit losses.

# ABOUT OPB

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Oregon Pacific Bancorp is the holding company for Oregon Pacific Bank, a community bank deeply rooted in fostering meaningful relationships. With a dedicated focus on businesses and nonprofits, we prioritize personalized service and swift, local decision-making. Our commitment lies in cultivating authentic connections and consistently surpassing expectations. At Oregon Pacific Bank, we pride ourselves on being adept problem solvers, keenly attuned to the aspirations and challenges of our clients. We firmly believe that by empowering businesses and nonprofits to flourish, we contribute to the overall prosperity of our communities.

Since our inception on December 17, 1979, we have steadily expanded our footprint, proudly offering banking services through our full-service branches strategically located in Coos Bay, Eugene, Florence, Medford, Portland, and Roseburg.

## OUR MISSION

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To create value for all we serve through the delivery of meaningful and relevant financial services.

## OUR VISION

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To be the premier business-minded community bank whose value to the community, shareholders, clients, and employees comes from supporting business and nonprofit agencies through banking services, volunteer work, and philanthropy.





# LEADERSHIP

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## OUR EXECUTIVE TEAM



**Ron Green**

President, Chief  
Executive Officer



**Amber White**

EVP, Chief Financial  
Officer



**John Raleigh**

EVP, Chief Lending  
Officer



**James Atwood**

EVP, Chief Credit  
Officer



**Lance Rudge**

EVP, Chief Operating  
Officer

*Our culture continues to be based on how we create value for those we serve, with our promise to deliver in the best interest of our shareholders, our clients, our employees, and the communities we serve.*

# BOARD OF DIRECTORS



**Jon Thompson**  
**Board Chair**  
Business Owner,  
Coast Broadcasting



**Kerrie Johnson**  
**Vice Chair**  
Owner, Loan Originator  
at Blue-inc. Capital



**Joe Benetti**  
Business Owner,  
Benetti's Italian Fine  
Foods



**Tim Campbell**  
Partner and Owner of  
Campbell Commercial  
Real Estate



**Ron Green**  
President, Chief  
Executive Officer of  
Oregon Pacific Bank



**Jason Hall**  
CPA Partner at  
Hoffman, Stewart &  
Schmidt, PC (HSS)



**Bob Mans, OD**  
Co-Owner of  
Florence Eye Clinic



**Angelique Whitlow**  
Chief Financial  
Officer at  
Hunter-Davisson, Inc



**Robbie Wright**  
General Manager and  
Founder, Hyak







Oregon  
Pacific Bank