

CONSOLIDATED STATEMENT OF CONDITION

September 30, 2025





Oregon Pacific Bancorp Announces Third Quarter 2025 Earnings Results

Highlights:

- Third quarter net income of \$2.2 million; \$0.31 per diluted share.
- Quarterly deposit growth of \$28.7 million.
- Quarterly tax equivalent net interest margin of 3.88%, expansion of 0.03% over prior quarter.
- Quarterly return on average assets of 1.06%.

Florence, Ore., October 23, 2025 - Oregon Pacific Bancorp (ORPB), the holding company of Oregon Pacific Bank, today reported net income of \$2.2 million, or \$0.31 per diluted share, for the quarter ended September 30, 2025, compared to \$2.0 million or \$0.28 per diluted share for the quarter ended June 30, 2025.

"We're excited to announce our third quarter results, highlighted by robust deposit growth and stronger profitability," said Ron Green, President and CEO. "Our expanded net interest margin, along with disciplined management of noninterest expenses, have contributed to improved financial performance. As we navigate the current economic landscape, we believe the strength of our community bank model—anchored in local relationships and tailored service—is essential for delivering lasting value to our customers and shareholders."

Period-end deposits expanded to \$728.4 million, reflecting quarterly growth of \$28.7 million, or 16.65%. A portion of this increase was due to deposit activity related to a terminating trust activity in the bank's trust department. Trust Assets Under Management (AUM) are typically invested in securities or real estate and do not appear on the bank's balance sheet. However, depending on beneficiaries' cash requirements and the timing of final distributions, some trust assets may be held in cash. Currently, the cash portion of all trust client balances is held at Oregon Pacific Bank and protected by FDIC insurance through IntraFi's Insured Cash Sweep (ICS) product. These cash balances are included in the bank's total interest-bearing demand deposits. As of September 30, 2025, the new terminating trust held \$9.0 million in cash. These funds are expected to leave the bank's balance sheet during the fourth quarter as the trust department completes final distributions.

The bank's third quarter net interest margin increased to 3.88%, up from 3.85% reported in the second quarter of 2025. The expansion was primarily attributable to an increase in the yield on loans and securities. Despite a 0.25% reduction in the prime rate, which occurred on September 18, 2025, the reduction in yield on variable loans and securities was more than offset by the increase in yield due to new loan production or securities purchases. Quarterly loan production for new and renewed loans totaled \$32.1 million, with a weighted average effective rate of 6.99% and a weighted-average repricing life of 1.86 years.

During the third quarter, the bank's securities portfolio increased by \$19.7 million, bringing the total to \$162.0 million. The bank purchased \$22.1 million in securities during this period, with a weighted average life of 7.88 years and a weighted average yield of 4.89%. These purchases focused on low coupon mortgage-backed securities acquired at discounts, which carry a low risk of extension in a declining interest rate environment. This approach provides the bank with additional protection if rates fall. The purchases were prompted by higher liquidity, primarily resulting from quarterly deposit growth. Notably, this quarter marked the bank's first securities purchases since the fourth quarter of 2022.

For the third quarter, the provision for credit losses was \$505 thousand, while the provision for unfunded commitments was \$123 thousand. The increase in provisions was primarily driven by the quarterly update of the economic forecasts used in the bank's allowance for credit losses model. Due to a less favorable outlook for unemployment and GDP, the model indicated that additional reserves were necessary.

Classified assets on September 30, 2025, reflected an increase of \$3.1 million from the second 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. During the quarter there were three relationships that migrated to substandard, totaling approximately \$2.9 million. Two of the relationships are operating businesses experiencing cash flow challenges but are actively realigning expenses and revenues and are being monitored closely. One of the relationships is a \$1.0 million asset-based line of credit that is appropriately margined with collateral and cash flow is seasonally associated with the construction industry. The other relationship is a business term loan and owner-occupied commercial real estate totaling approximately \$1.0 million and is experiencing challenges with closing down a satellite office. Both relationships are being monitored closely with active plans for improvement, and no losses are anticipated. The third relationship is a nonowner-occupied real estate loan totaling approximately \$900 thousand. The loan-to-value is strong at 63% but the property has experienced challenges with leasing a portion of the building. The property is expected to meet annual cash flow coverage requirements by year-end.

For the third quarter, noninterest income reached \$2.2 million, reflecting a \$99 thousand increase compared to the previous quarter. The most significant change was observed in merchant card services, driven by a seasonal uptick in tourism among the bank's merchant clients in the coastal community of Florence, Oregon.

In the third quarter of 2025, noninterest expense totaled \$6.3 million, reflecting a decrease of \$177 thousand compared to the previous quarter. The most significant change occurred in salaries and employee benefits, which declined by \$151 thousand. This reduction was primarily driven by a \$75 thousand decrease in the officer bonus accrual, following a true-up process that aligned the accrual with updated year-end payout projections.

The bank also completed a true-up of its Health Reimbursement Account (HRA) during the quarter, as it continues to self-fund a portion of employees' deductibles. With projected year-end utilization tracking below prior accrual levels, the quarterly accrual for the HRA was reduced by \$39 thousand.

In addition, the bank saw a decrease in outside services expenses, largely attributable to a change in its managed service provider effective June 30, 2025. During the second quarter, the bank incurred approximately \$60 thousand in duplicated expenses to ensure uninterrupted service for clients and employees in preparation for the conversion. These duplicated services were discontinued as of June 30, resulting in cost savings on a linked quarter basis.

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 guarantees 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)

	September 30, 2025	June 30, 2025	September 30, 2024
ASSETS			
Cash and due from banks	\$ 9,713	\$ 11,156	\$ 12,437
Interest bearing deposits	42,274	30,348	25,874
Securities	162,012	142,357	163,275
Loans, net of deferred fees and costs	594,695	591,795	565,492
Allowance for credit losses	(7,891)	(7,388)	(7,400)
Premises and equipment, net	13,156	13,187	13,444
Bank owned life insurance	10,388	10,304	9,071
Other real estate owned	157	157	-
Deferred tax asset	4,271	4,636	4,754
Other assets	8,866	8,710	8,279
Total assets	\$ 837,641	\$ 805,262	\$ 795,226
LIABILITIES			
Deposits			
Demand - non-interest bearing	\$ 167,010	\$ 162,426	\$ 156,296
Demand - interest bearing	298,089	280,434	278,563
Money market	139,513	133,416	136,984
Savings	66,901	66,665	65,456
Certificates of deposit	46,882	46,799	40,288
Brokered deposits	10,001	10,001	18,001
Total deposits	728,396	699,741	695,588
FHLB borrowings	7,500	7,500	7,500
Junior subordinated debenture	4,124	4,124	4,124
Subordinated debenture	14,902	14,877	14,802
Other liabilities	8,280	7,857	8,612
Total liabilities	763,202	734,099	730,626
STOCKHOLDERS' EQUITY			
Common stock	21,809	21,732	21,491
Retained earnings	57,508	55,296	49,385
Accumulated other comprehensive income, net of tax	(4,878)	(5,865)	(6,276)
Total stockholders' equity	74,439	71,163	64,600
Total liabilities & stockholders' equity	\$ 837,641	\$ 805,262	\$ 795,226

CONSOLIDATED STATEMENTS OF INCOME

Unaudited (dollars in thousands, except per share data)

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
INTEREST INCOME					
Loans	\$ 8,552	\$ 8,286	\$ 7,746	\$ 24,697	\$ 22,437
Securities	1,353	1,262	1,477	3,895	4,531
Other interest income	500	199	314	959	736
Total interest income	<u>10,405</u>	<u>9,747</u>	<u>9,537</u>	<u>29,551</u>	<u>27,704</u>
INTEREST EXPENSE					
Deposits	2,377	2,228	2,452	6,911	6,665
Borrowed funds	<u>308</u>	<u>325</u>	<u>319</u>	<u>938</u>	<u>1,027</u>
Total interest expense	<u>2,685</u>	<u>2,553</u>	<u>2,771</u>	<u>7,849</u>	<u>7,692</u>
NET INTEREST INCOME	7,720	7,194	6,766	21,702	20,012
Provision for credit losses on loans	505	164	150	669	331
Provision (credit) for unfunded commitments	<u>123</u>	<u>-</u>	<u>35</u>	<u>123</u>	<u>5</u>
Net interest income after provision (credit) for credit losses	<u>7,092</u>	<u>7,030</u>	<u>6,581</u>	<u>20,910</u>	<u>19,676</u>
NONINTEREST INCOME					
Trust fee income	1,137	1,093	1,030	3,428	2,867
Service charges	394	390	371	1,157	1,079
Mortgage loan sales	1	1	39	9	132
Merchant card services	172	123	157	412	394
Oregon Pacific Wealth Management income	366	356	336	1,062	952
Other income	<u>115</u>	<u>123</u>	<u>105</u>	<u>348</u>	<u>362</u>
Total noninterest income	<u>2,185</u>	<u>2,086</u>	<u>2,038</u>	<u>6,416</u>	<u>5,786</u>
NONINTEREST EXPENSE					
Salaries and employee benefits	3,701	3,852	3,651	11,546	10,918
Outside services	709	791	669	2,202	2,026
Occupancy & equipment	533	490	511	1,539	1,499
Trust expense	686	678	615	2,109	1,867
Loan and collection, OREO expense	18	18	21	46	55
Advertising	102	124	88	318	239
Supplies and postage	70	65	75	206	222
Other operating expenses	<u>494</u>	<u>472</u>	<u>528</u>	<u>1,536</u>	<u>1,588</u>
Total noninterest expense	<u>6,313</u>	<u>6,490</u>	<u>6,158</u>	<u>19,502</u>	<u>18,414</u>
Income before taxes	2,964	2,626	2,461	7,824	7,048
Provision for income taxes	<u>752</u>	<u>617</u>	<u>614</u>	<u>1,919</u>	<u>1,745</u>
NET INCOME	<u>\$ 2,212</u>	<u>\$ 2,009</u>	<u>\$ 1,847</u>	<u>\$ 5,905</u>	<u>\$ 5,303</u>

Quarterly Highlights

	3rd Quarter 2025	2nd Quarter 2025	1st Quarter 2025	4th Quarter 2024	3rd Quarter 2024
Earnings					
Interest income	\$ 10,405	\$ 9,747	\$ 9,399	\$ 9,599	\$ 9,537
Interest expense	2,685	2,553	2,610	2,675	2,771
Net interest income	\$ 7,720	\$ 7,194	\$ 6,789	\$ 6,924	\$ 6,766
Provision for credit losses on loans	505	164	-	-	150
Provision (credit) for unfunded commitments	123	-	-	(30)	35
Noninterest income	2,185	2,086	2,143	2,155	2,038
Noninterest expense	6,313	6,490	6,698	6,147	6,158
Provision for income taxes	752	617	550	744	614
Net income	<u>\$ 2,212</u>	<u>\$ 2,009</u>	<u>\$ 1,684</u>	<u>\$ 2,218</u>	<u>\$ 1,847</u>
Average shares outstanding	7,163,503	7,164,363	7,151,365	7,136,389	7,134,259
Average diluted shares outstanding	7,189,245	7,190,105	7,170,304	7,154,126	7,153,663
Period end shares outstanding	7,163,503	7,164,144	7,164,470	7,138,259	7,134,259
Period end diluted shares outstanding	7,189,245	7,189,886	7,190,212	7,155,996	7,153,663
Earnings per share	\$ 0.31	\$ 0.28	\$ 0.24	\$ 0.31	\$ 0.26
Diluted earnings per share	\$ 0.31	\$ 0.28	\$ 0.23	\$ 0.31	\$ 0.26
Performance Ratios					
Return on average assets	1.06%	1.02%	0.87%	1.12%	0.93%
Return on average equity	12.58%	11.85%	10.42%	14.01%	12.12%
Net interest margin - tax equivalent	3.88%	3.85%	3.67%	3.66%	3.59%
Yield on loans	5.73%	5.65%	5.53%	5.55%	5.47%
Yield on securities	3.45%	3.39%	3.41%	3.31%	3.48%
Cost of deposits	1.31%	1.31%	1.36%	1.36%	1.41%
Cost of interest-bearing liabilities	1.83%	1.86%	1.88%	1.89%	1.97%
Efficiency ratio	63.73%	69.94%	75.24%	67.71%	70.20%
Full-time equivalent employees	146	146	148	145	144
Capital					
Tier 1 capital	\$ 91,563	\$ 91,437	\$ 90,548	\$ 89,133	\$ 87,101
Leverage ratio	10.99%	11.52%	11.40%	11.19%	10.96%
Common equity tier 1 ratio	14.65%	14.82%	14.84%	14.86%	14.65%
Tier 1 risk based ratio	14.65%	14.82%	14.84%	14.86%	14.65%
Total risk based ratio	15.91%	16.07%	16.10%	16.11%	15.90%
Book value per share	\$ 10.39	\$ 9.93	\$ 9.53	\$ 9.12	\$ 9.05

Quarterly Highlights

	3rd Quarter 2025	2nd Quarter 2025	1st Quarter 2025	4th Quarter 2024	3rd Quarter 2024
Asset quality					
Allowance for credit losses (ACL)	\$ 7,891	\$ 7,388	\$ 7,400	\$ 7,400	\$ 7,400
Nonperforming loans (NPLs)	\$ 495	\$ 495	\$ 801	\$ 798	\$ 278
Nonperforming assets (NPAs)	\$ 652	\$ 652	\$ 801	\$ 798	\$ 278
Classified Assets ⁽¹⁾	\$ 14,391	\$ 11,271	\$ 10,550	\$ 8,132	\$ 10,363
Net loan charge offs (recoveries)	\$ 1	\$ 176	\$ -	\$ -	\$ -
ACL as a percentage of net loans	1.33%	1.25%	1.27%	1.29%	1.31%
ACL as a percentage of NPLs	1594.14%	1492.53%	923.85%	927.32%	2661.87%
Net charge offs (recoveries)					
to average loans	0.00%	0.03%	0.00%	0.00%	0.00%
Net NPLs as a percentage of total loans	0.08%	0.08%	0.14%	0.14%	0.05%
Nonperforming assets as a percentage of total assets	0.08%	0.08%	0.10%	0.10%	0.03%
Classified Asset Ratio ⁽²⁾	14.47%	11.53%	10.77%	8.42%	10.97%
Past due as a percentage of total loans	0.12%	0.08%	0.11%	0.06%	0.24%
Off-balance sheet figures					
Unused credit commitments	\$ 108,753	\$ 103,063	\$ 94,843	\$ 98,616	\$ 99,229
Trust assets under management (AUM)	\$ 281,281	\$ 288,935	\$ 267,359	\$ 271,046	\$ 267,061
Oregon Pacific Wealth Management AUM	\$ 181,349	\$ 174,724	\$ 172,729	\$ 165,045	\$ 167,025
End of period balances					
Total securities	\$ 162,012	\$ 142,357	\$ 145,610	\$ 155,258	\$ 163,275
Total short term deposits	\$ 42,274	\$ 30,348	\$ 27,625	\$ 10,921	\$ 25,874
Total loans net of allowance	\$ 586,804	\$ 584,407	\$ 575,539	\$ 564,165	\$ 558,092
Total earning assets	\$ 800,930	\$ 766,445	\$ 758,119	\$ 739,677	\$ 756,571
Total assets	\$ 837,641	\$ 805,262	\$ 797,628	\$ 776,448	\$ 795,226
Total noninterest bearing deposits	\$ 167,010	\$ 162,426	\$ 153,956	\$ 141,719	\$ 156,296
Total brokered deposits	\$ 10,001	\$ 10,001	\$ 10,001	\$ 10,001	\$ 18,001
Total core deposits	\$ 718,395	\$ 689,740	\$ 685,314	\$ 666,616	\$ 677,587
Total deposits	\$ 728,396	\$ 699,741	\$ 695,315	\$ 676,617	\$ 695,588
Average balances					
Total securities	\$ 153,603	\$ 143,627	\$ 150,197	\$ 159,587	\$ 162,918
Total short term deposits	\$ 44,423	\$ 18,044	\$ 23,766	\$ 23,654	\$ 22,887
Total loans net of allowance	\$ 584,102	\$ 580,377	\$ 568,635	\$ 561,601	\$ 556,336
Total earning assets	\$ 791,637	\$ 751,538	\$ 751,933	\$ 754,173	\$ 751,371
Total assets	\$ 827,823	\$ 787,506	\$ 787,201	\$ 789,333	\$ 787,072
Total noninterest bearing deposits	\$ 166,857	\$ 158,985	\$ 149,802	\$ 152,844	\$ 158,888
Total brokered deposits	\$ 10,001	\$ 10,001	\$ 10,001	\$ 12,610	\$ 17,999
Total core deposits	\$ 710,376	\$ 672,711	\$ 675,953	\$ 676,900	\$ 671,949
Total deposits	\$ 720,377	\$ 682,712	\$ 685,954	\$ 689,510	\$ 689,948

⁽¹⁾ 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.

⁽²⁾ 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

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

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

OUR VISION

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.



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Officer



John Raleigh

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James Atwood

EVP, Chief Credit
Officer



Lance Rudge

EVP, Chief Operating
Officer



David Rice

EVP, Director of Trust
& Wealth Management

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.



Oregon
Pacific Bank

FDIC FDIC-Insured – Backed by the full faith and credit of the U.S. Government