

CONSOLIDATED STATEMENT OF CONDITION

September 30, 2026



**Oregon
Pacific Bancorp**



Oregon Pacific Bancorp Announces Third Quarter 2026 Earnings Results

Highlights:

- Third-quarter net income was \$2.75 million, or \$0.38 per diluted share, sustaining strong earnings.
- Loan production of \$46.4 million drove \$2.8 million in net growth and improved earning-asset yields.
- Deposits grew \$19.3 million, led by a \$19.0 million increase in noninterest-bearing balances; deposit costs fell to 1.16%.
- Asset quality improved as classified assets fell \$4.6 million, past-due loans declined to 0.25%, and two nonaccrual loans paid off in the quarter.
- The Company retired \$15.0 million of subordinated debt, executing prudent capital allocation.
- Successfully built-out a talented Commercial Lending Team within the Portland/Metro market.

Florence, Ore., October 22, 2026 — Oregon Pacific Bancorp (ORPB), the holding company of Oregon Pacific Bank, today reported net income of \$2.75 million, or \$0.38 per diluted share, for the quarter ended September 30, 2026, compared to \$2.76 million or \$0.38 per diluted share for the quarter ended June 30, 2026.

“Our strong capital position enabled us to retire \$15 million in subordinated debt,” said Amber White, President and CEO. “The retirement will reduce future borrowing costs and will allow more resources to support organic growth and long-term shareholder returns.”

In September 2021, \$15.0 million of subordinated debt was issued at a fixed rate of 3.375% to strengthen capital and preserve flexibility for strategic opportunities. The Tier 1 leverage ratio was 9.70% immediately after issuance on September 30, 2021, and had increased to 10.74% as of September 30, 2026. With the debt scheduled to reprice at quarter end to three-month SOFR plus 2.66% (approximately 6.34%), management elected to retire the obligation based upon a strong capital position and capacity to support future growth via retained earnings. The retirement of subordinated debt avoids an estimated adverse impact of \$505 thousand in additional annual interest expense and approximately \$0.04 to \$0.05 per diluted share. Funds to retire the subordinated debt came from the Bank’s net income previously transferred to the holding company beginning in April 2025. Accordingly, the September 30, 2026, transaction had no further impact on the Bank’s regulatory capital ratios and is expected to support future capital and earnings growth.

Period-end deposits totaled \$728.0 million, reflecting quarterly growth of \$19.3 million. Noninterest-bearing demand accounts increased \$19.0 million, representing essentially all the quarterly net deposit growth. Money market balances increased \$5.5 million in the third quarter and were offset by declines in interest bearing checking and certificate accounts of \$3.9 million and \$2.1 million, respectively. This improved deposit balance mix as of September 30, 2026, contributed to cost of deposits falling from 1.19% to

1.16% quarter over quarter. Total interest expense for the third quarter was \$2.44 million versus prior quarter of \$2.38 million, reflecting a 2.35% increase in expense accompanied by 2.72% growth in total period-ending deposits for the quarter.

Classified assets on September 30, 2026, totaled \$14.9 million, and reflected a decrease of \$4.6 million from the second quarter of 2026. Classified assets are defined as loans and loan contingent liabilities internally graded substandard or worse, impaired loans, adversely classified securities and other real estate owned. The decrease in classified assets was attributable to an upgrade of a \$2.7 million owner-occupied nonprofit relationship, two nonaccrual loans that paid off totaling \$2.1 million, and \$384 thousand of reduced exposure on a \$7.0 million multi-family construction project. The multi-family construction project is approximately 90% complete but has experienced significant delays and overages that remain under active credit administration review. This relationship was moved to nonaccrual during the quarter, accompanied by a \$194 thousand interest income reversal. Potential resolutions for this relationship include foreclosure, receivership, or external refinance as the situation continues to be closely monitored.

The Bank's third quarter net interest margin was essentially flat, decreasing slightly from 4.19% to 4.18% quarter over quarter. The reversal of \$194 thousand in interest income related to a loan migrated to nonaccrual was responsible for 9 bps of adverse impact in the quarter, indicating continued quarterly net interest margin expansion on a normalized basis. Quarterly loan production for new and renewed loans totaled \$46.4 million, with a weighted average repricing life of 1.78 years as compared to \$36.7 million and 2.08 years, respectively, for the prior quarter. Strong loan production outpaced \$20.2 million in loan payoffs, resulting in outstanding loan growth of \$2.8 million in the third quarter. New and renewed loans had a weighted average effective yield of 7.15% versus loan payoffs at 6.24%. The quarter over quarter yield on loans improved from 5.89% to 5.93% despite the noted interest reversal, indicating a continuation of positive trends within earning assets as the yield on new loan originations outperform that of principal reductions.

The two loans within classified assets that paid off during the third quarter represented \$1.6 million and \$500 thousand of nonaccrual asset backed and owner-occupied commercial real estate balances as of June 30, 2026, respectively. The payoff of the asset backed loan resulted in a \$153 thousand recovery of previous charge off, while the payoff on the owner-occupied commercial real estate loan offset all principal and interest due. Past due loans as of September 30, 2026, were 0.25% of the total loan portfolio which represents a material decrease from 1.30% in the prior quarter. As of September 30, 2026, past due totals remain at a modest level and are consistent with historical trends.

In the third quarter of 2026, noninterest expense totaled \$7.0 million, reflecting an increase of \$304 thousand compared to the previous quarter. The largest expense fluctuation occurred within the salaries and employee benefits category, which increased \$171 thousand from the prior quarter, followed by \$106 thousand and \$75 thousand quarter over quarter increases in outside services and other operating expenses, respectively. The increase in salaries was \$135 thousand and primarily reflected strategic hiring for previously vacant positions, including the successful build-out of a Portland/Metro production team led by Portland Market President Katherine Ledson. Subsequent to Katherine's hiring, the Bank also welcomed three additional commercial lenders in the Portland Market, Callum Auer, Anthony Tomashek, and Evan Harris, each bringing outstanding experience and robust knowledge to the Portland Market. Vicki Gray, who has been with OPB since 2018, also joined the Executive Leadership Team as Lane County Market President, strengthening local leadership and advancing the Bank's commitment to delivering exceptional service and building lasting customer relationships. Related to the broader staffing additions completed during the quarter, outside services included \$121 thousand in one-time recruiter fees.

CONSOLIDATED BALANCE SHEETS

Unaudited (dollars in thousands)

	September 30, 2026	June 30, 2026	September 30, 2025
ASSETS			
Cash and due from banks	\$ 3,009	\$ 11,998	\$ 9,713
Interest bearing deposits	53,713	32,862	42,274
Securities	131,406	141,523	162,012
Loans, net of deferred fees and costs	612,513	609,720	594,695
Allowance for credit losses	(8,406)	(8,048)	(7,891)
Premises and equipment, net	13,740	13,718	13,156
Bank owned life insurance	10,725	10,639	10,388
Other real estate owned	157	157	157
Deferred tax asset	5,398	4,538	4,271
Other assets	8,380	8,462	8,866
Total assets	\$ 830,635	\$ 825,569	\$ 837,641
LIABILITIES			
Deposits			
Demand - non-interest bearing	\$ 178,510	\$ 159,517	\$ 167,010
Demand - interest bearing	301,891	305,790	298,089
Money market	134,985	129,524	139,513
Savings	66,693	65,829	66,901
Certificates of deposit	45,967	48,086	46,882
Brokered deposits	-	-	10,001
Total deposits	728,046	708,746	728,396
FHLB borrowings	7,500	7,500	7,500
Junior subordinated debenture	4,124	4,124	4,124
Subordinated debenture	-	14,977	14,902
Other liabilities	7,866	7,654	8,280
Total liabilities	747,536	743,001	763,202
STOCKHOLDERS' EQUITY			
Common stock	22,063	21,954	21,809
Retained earnings	68,063	65,318	57,508
Accumulated other comprehensive income, net of tax	(7,027)	(4,704)	(4,878)
Total stockholders' equity	83,099	82,568	74,439
Total liabilities & stockholders' equity	\$ 830,635	\$ 825,569	\$ 837,641

CONSOLIDATED STATEMENTS OF INCOME

Unaudited (dollars in thousands, except per share data)

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
INTEREST INCOME					
Loans	\$ 9,057	\$ 8,849	\$ 8,552	\$ 26,698	\$ 24,697
Securities	1,325	1,369	1,353	4,054	3,895
Other interest income	639	314	500	1,226	959
Total interest income	<u>11,021</u>	<u>10,532</u>	<u>10,405</u>	<u>31,978</u>	<u>29,551</u>
INTEREST EXPENSE					
Deposits	2,138	2,083	2,377	6,385	6,911
Borrowed funds	302	301	308	902	938
Total interest expense	<u>2,440</u>	<u>2,384</u>	<u>2,685</u>	<u>7,287</u>	<u>7,849</u>
NET INTEREST INCOME	8,581	8,148	7,720	24,691	21,702
Provision for credit losses on loans	200	-	505	237	669
Provision (credit) for unfunded commitments	13	-	123	43	123
Net interest income after provision for credit losses	<u>8,368</u>	<u>8,148</u>	<u>7,092</u>	<u>24,411</u>	<u>20,910</u>
NONINTEREST INCOME					
Trust fee income	1,224	1,221	1,137	3,525	3,428
Service charges	425	412	394	1,235	1,157
Mortgage loan sales	-	-	1	1	9
Merchant card services	154	140	172	419	412
Oregon Pacific Wealth Management income	370	333	366	1,048	1,062
Other income	116	120	115	357	348
Total noninterest income	<u>2,289</u>	<u>2,226</u>	<u>2,185</u>	<u>6,585</u>	<u>6,416</u>
NONINTEREST EXPENSE					
Salaries and employee benefits	3,968	3,797	3,701	11,683	11,546
Outside services	870	764	709	2,438	2,202
Occupancy & equipment	547	539	533	1,644	1,539
Trust expense	785	823	686	2,322	2,109
Loan and collection, OREO expense	9	24	18	52	46
Advertising	113	118	102	338	318
Supplies and postage	66	64	70	200	206
Other operating expenses	609	534	494	1,732	1,536
Total noninterest expense	<u>6,967</u>	<u>6,663</u>	<u>6,313</u>	<u>20,409</u>	<u>19,502</u>
Income before taxes	3,690	3,711	2,964	10,587	7,824
Provision for income taxes	945	947	752	2,700	1,919
NET INCOME	<u>\$ 2,745</u>	<u>\$ 2,764</u>	<u>\$ 2,212</u>	<u>\$ 7,887</u>	<u>\$ 5,905</u>

Quarterly Highlights

	3rd Quarter 2026	2nd Quarter 2026	1st Quarter 2026	4th Quarter 2025	3rd Quarter 2025
Earnings					
Interest income	\$ 11,021	\$ 10,532	\$ 10,425	\$ 10,531	\$ 10,405
Interest expense	2,440	2,384	2,465	2,598	2,685
Net interest income	\$ 8,581	\$ 8,148	\$ 7,960	\$ 7,933	\$ 7,720
Provision for credit losses on loans	200	-	37	346	505
Provision (credit) for unfunded commitments	13	-	30	(15)	123
Noninterest income	2,289	2,226	2,070	2,291	2,185
Noninterest expense	6,967	6,663	6,777	6,306	6,313
Provision for income taxes	945	947	808	921	752
Net income	<u>\$ 2,745</u>	<u>\$ 2,764</u>	<u>\$ 2,378</u>	<u>\$ 2,666</u>	<u>\$ 2,212</u>
Average shares outstanding	7,179,876	7,179,876	7,171,523	7,163,160	7,163,503
Average diluted shares outstanding	7,201,765	7,201,765	7,196,169	7,188,902	7,189,245
Period end shares outstanding	7,179,876	7,179,876	7,179,876	7,162,985	7,163,503
Period end diluted shares outstanding	7,201,765	7,201,765	7,203,449	7,188,727	7,189,245
Earnings per share	\$ 0.38	\$ 0.38	\$ 0.33	\$ 0.37	\$ 0.31
Diluted earnings per share	\$ 0.38	\$ 0.38	\$ 0.33	\$ 0.37	\$ 0.31
Performance Ratios					
Return on average assets	1.28%	1.36%	1.18%	1.27%	1.06%
Return on average equity	14.20%	14.29%	12.65%	14.90%	12.58%
Net interest margin - tax equivalent	4.18%	4.19%	4.13%	3.96%	3.88%
Yield on loans	5.93%	5.89%	5.96%	5.80%	5.73%
Yield on securities	3.72%	3.68%	3.59%	3.46%	3.45%
Cost of deposits	1.16%	1.19%	1.25%	1.26%	1.31%
Cost of interest-bearing liabilities	1.65%	1.67%	1.73%	1.76%	1.83%
Efficiency ratio	64.09%	64.24%	67.57%	61.68%	63.73%
Full-time equivalent employees	146	144	144	149	146
Capital					
Tier 1 capital	\$ 92,027	\$ 91,847	\$ 91,689	\$ 91,828	\$ 91,563
Leverage ratio	10.74%	11.18%	11.16%	10.96%	10.99%
Common equity tier 1 ratio	14.31%	14.42%	14.65%	14.69%	14.65%
Tier 1 risk based ratio	14.31%	14.42%	14.65%	14.69%	14.65%
Total risk based ratio	15.57%	15.67%	15.90%	15.94%	15.91%
Book value per share	\$ 11.57	\$ 11.50	\$ 11.13	\$ 10.86	\$ 10.39

Quarterly Highlights

	3rd Quarter 2026	2nd Quarter 2026	1st Quarter 2026	4th Quarter 2025	3rd Quarter 2025
Asset quality					
Allowance for credit losses (ACL)	\$ 8,406	\$ 8,048	\$ 8,028	\$ 8,237	\$ 7,891
Nonperforming loans (NPLs)	\$ 7,286	\$ 2,092	\$ 2,092	\$ 2,338	\$ 495
Nonperforming assets (NPAs)	\$ 7,442	\$ 2,248	\$ 2,248	\$ 2,494	\$ 652
Classified Assets ⁽¹⁾	\$ 14,945	\$ 19,505	\$ 10,635	\$ 13,119	\$ 14,391
Net loan charge offs (recoveries)	\$ (158)	\$ (19)	\$ 246	\$ -	\$ 1
ACL as a percentage of net loans	1.37%	1.32%	1.32%	1.37%	1.33%
ACL as a percentage of NPLs	115.38%	384.77%	383.81%	352.31%	1594.14%
Net charge offs (recoveries) to average loans	-0.03%	0.00%	0.04%	0.00%	0.00%
Net NPLs as a percentage of net loans less ACL	1.21%	0.35%	0.35%	0.40%	0.08%
Nonperforming assets as a percentage of total assets	0.90%	0.27%	0.27%	0.31%	0.08%
Classified Asset Ratio ⁽²⁾	14.88%	19.53%	10.67%	13.11%	14.47%
Past due as a percentage of total loans	0.25%	1.30%	0.13%	0.17%	0.12%
Off-balance sheet figures					
Unused credit commitments	\$ 87,050	\$ 94,499	\$ 96,198	\$ 98,660	\$ 108,753
Trust assets under management (AUM)	\$ 282,663	\$ 302,182	\$ 307,597	\$ 297,701	\$ 281,281
Oregon Pacific Wealth Management AUM	\$ 164,705	\$ 162,550	\$ 148,443	\$ 154,137	\$ 181,349
End of period balances					
Total securities	\$ 131,406	\$ 141,523	\$ 145,679	\$ 155,159	\$ 162,012
Total short term deposits	\$ 53,713	\$ 32,862	\$ 39,074	\$ 16,663	\$ 42,274
Total loans net of allowance	\$ 604,107	\$ 601,672	\$ 590,628	\$ 591,399	\$ 586,804
Total earning assets	\$ 799,609	\$ 786,078	\$ 785,385	\$ 773,409	\$ 800,930
Total assets	\$ 830,635	\$ 825,569	\$ 821,260	\$ 812,216	\$ 837,641
Total noninterest bearing deposits	\$ 178,510	\$ 159,517	\$ 154,248	\$ 152,937	\$ 167,010
Total brokered deposits	\$ -	\$ -	\$ -	\$ 10,001	\$ 10,001
Total core deposits	\$ 728,046	\$ 708,746	\$ 706,660	\$ 689,350	\$ 718,395
Total deposits	\$ 728,046	\$ 708,746	\$ 706,660	\$ 699,351	\$ 728,396
Average balances					
Total securities	\$ 139,638	\$ 143,819	\$ 151,912	\$ 159,462	\$ 153,603
Total short term deposits	\$ 68,731	\$ 33,393	\$ 30,441	\$ 40,352	\$ 44,423
Total loans net of allowance	\$ 597,898	\$ 594,094	\$ 590,420	\$ 587,209	\$ 584,102
Total earning assets	\$ 816,417	\$ 781,321	\$ 782,984	\$ 796,948	\$ 791,637
Total assets	\$ 852,049	\$ 816,865	\$ 817,928	\$ 833,972	\$ 827,823
Total noninterest bearing deposits	\$ 173,278	\$ 156,537	\$ 152,699	\$ 164,736	\$ 166,857
Total brokered deposits	\$ -	\$ -	\$ 9,445	\$ 10,001	\$ 10,001
Total core deposits	\$ 733,716	\$ 701,368	\$ 694,145	\$ 712,607	\$ 710,376
Total deposits	\$ 733,716	\$ 701,368	\$ 703,590	\$ 722,608	\$ 720,377

⁽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 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 adversely classified securities, and other real estate owned, divided by bank Tier 1 capital, plus the allowance for credit losses).

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 herein 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.



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BANK EXECUTIVE OFFICERS

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.



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President and CEO



James Atwood
EVP, Chief Credit Officer



John Raleigh
EVP, Chief Lending Officer



Lance Rudge
EVP, Chief Operating Officer



David Rice
*EVP, Director of Trust
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