Consolidated Statement of Condition

September 30, 2022

Oregon Pacific Bancorp

Oregon Pacific Bank is a wholly owned subsidiary of Oregon Pacific Bancorp. Stock is traded over-the-counter on the OTCBB under symbol ORPB.

FOR IMMEDIATE RELEASE
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Oregon Pacific Bank Announces Third Quarter Earnings Results

Florence, Ore., October 20, 2022 —Oregon Pacific Bancorp (ORPB), the holding company of Oregon Pacific Bank, today reported financial results for the third quarter ended September 30, 2022.

Highlights:

- Third quarter net income of $2.3 million; $0.33 per diluted share.
- Quarterly loan growth of $21.1 million.
- Quarterly deposit growth of $70.0 million.
- Quarterly tax equivalent net interest margin of 3.54%

Net income for the quarter ended September 30, 2022 was $2.3 million, or $0.33 per diluted share compared to $2.0 million, or $0.29 per diluted share for the quarter ended September 30, 2021. The Bank processed forgiveness on the last PPP loan during the second quarter of 2022, so there was no PPP income recorded during the third quarter, compared to $1.1 million recorded during the third quarter of 2021.

> "We are proud to see the third quarter financial results," said Ron Green, President and CEO. "This is the first quarter without PPP fee income, and we are pleased that growth in traditional loan income has nearly offset the PPP income shortfall."

Period-end loans, net of deferred loan origination fees, totaled $456.6 million, representing quarterly growth of $21.1 million, and year-to-date non-PPP growth of $68.4 million. This represents an annualized growth rate of 23.57%. The Bank continued to experience loan demand, but competition remains strong. The third quarter yield on non-PPP loans totaled 4.50%, an increase of 0.17% over the prior quarter. The yield in second quarter was lower due to the payoff of a USDA guaranteed loan, which was purchased at a premium during 2017. This resulted in the expense of $47 thousand for the remaining purchase premium. Without the prepayment, the effective yield on the non-PPP loan portfolio would have been 4.38%. This reflects a linked quarter increase in loan yield from second quarter to third quarter, excluding amortization of the USDA payoff, of 0.12%.

During the quarter the Bank saw a decrease in classified assets totaling $515 thousand, bringing the classified asset ratio to 5.81% as of September 30, 2022. This decrease was primarily attributable to a payoff of one residential loan relationship. The Bank also funded provision for loan loss expense of $209 thousand, which was largely the result of loan growth experienced during the quarter, as credit metrics including nonaccrual loan totals and past due totals remain strong.

Deposit growth totaled $70.1 million during the third quarter. Included in the third quarter deposit growth was approximately $48.6 million in deposits that migrated from off-balance sheet holdings with IntraFi Network, into on-balance sheet reciprocal balances. The migration occurred toward the end of the quarter and did not significantly impact average asset totals. After exclusion of the off-balance sheet migration, the Bank experienced deposit growth of $21.5 million during the third quarter and $45.4 million since December 31, 2021. This represents an annual growth rate, excluding IntraFi Network migration, of 9.82%. The Bank also maintained an additional $60.6 million in off-balance sheet deposits with IntraFi Network, which are available on demand. The Bank's cost of funds increased slightly from the

0.07% reported in second quarter 2022 to the 0.09% in third quarter 2022. The Bank continues to monitor deposit rates and has not yet experienced significant pressure to increase rates, but the Bank anticipates growing pressure to adjust deposit rates should the Fed Funds rate continue to increase.

Third quarter investment purchases totaled $26.0 million, with a weighted average life of 5.11 years and a weighted average yield of 3.85% on the purchases. At September 30, 2022, the Bank's total investment portfolio had an average life of 5.5 years and, based on the one month CPR, a yield of 2.67%. Securities purchases were offset by portfolio amortization and an increase in the unrealized loss on the securities portfolio. The September 30, 2022, unrealized loss on the securities portfolio grew to $17.2 million or 8.4% of the portfolio book value. For the quarter ended September 30, 2022, securities income totaled $1.1 million, or a yield of 2.39%, compared to $828 thousand, or a yield of 1.91% in the second quarter ended June 30, 2022. Several factors contributed to the increased earnings, including securities purchased during the quarter occurred at an effective rate higher than the overall portfolio yield and the increase in the yield on the variable rate securities tied to the prime rate. As of September 30, 2022, approximately $51.6 million of the securities portfolio was subject to monthly or quarterly rate resets. The Bank continues to plan for additional securities purchases during 2022, which will continue to enhance the net interest margin by shifting earnings assets from fed funds into higher yielding securities.

Noninterest income totaled $2.0 million during third quarter 2022 and represented an increase of $261 thousand over the second quarter 2022. The largest increase in noninterest income occurred in the other income category, which is primarily attributable to the income earned on the off-balance sheet portion of the IntraFi Network deposits, which totaled $437 thousand for the quarter. With migration of approximately $48.6 million of off-balance sheet deposits back onto the balance sheet, this noninterest income source is expected to decrease in the fourth quarter. Additionally, as interest rates increase this source of non-interest income will decrease over time as the Bank will be forced to increase the interest amount paid to depositors.

Noninterest expense in the third quarter 2022 totaled $4.8 million, an increase of $348 thousand over second quarter 2022. The largest drivers of the increase related to the salaries and benefits expense, which grew $145 thousand over second quarter. During third quarter the Bank implemented several salary adjustments, specifically amongst many of the lower paid positions within the Bank as a result of the competitive work environment. The Bank also increased the accruals for employee bonuses and profit sharing, which grew $97 thousand and $14 thousand, respectively, over the prior quarter expense. Both increases were tied to performance metrics tracking above original accrual levels. The Bank also saw growth in the outside services category of $79 thousand on a linked quarter basis. Approximately half of this increase was related to a recruitment fee for a new team leader position and is not expected to reoccur in future periods.

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, strategic focus, capital position, liquidity, credit quality, special asset liquidation, 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.

CONSOLIDATED BALANCE SHEETS

Unaudited (dollars in thousands)

	September 30, 2022	June 30, 2022	September 30, 2021
ASSETS			
Cash and due from banks	$ 13,402	$ 11,527	$ 10,496
Interest bearing deposits	97,840	71,429	186,565
Securities	188,366	170,977	82,398
Non PPP Loans, net of deferred fees and costs	456,627	435,478	361,573
PPP Loans, net of deferred fees and costs	-	-	30,073
Total Loans, net of deferred fees and costs	456,627	435,478	391,646
Allowance for loan losses	(6,328)	(6,088)	(6,026)
Premises and equipment, net	9,501	9,558	6,351
Bank owned life insurance	8,563	8,509	8,342
Deferred tax asset	5,836	4,118	1,111
Other assets	6,904	7,024	3,431
Total assets	$ 780,711	$ 712,532	$ 684,314
LIABILITIES			
Deposits			
Demand - non-interest bearing	$ 195,536	$ 189,112	$ 180,991
Demand - interest bearing	242,974	187,348	177,404
Money market	170,439	163,728	158,392
Savings	85,548	83,517	75,710
Certificates of deposit	18,213	18,948	20,453
Total deposits	712,710	642,653	612,950
Junior subordinated debenture	4,124	4,124	4,124
Subordinated debenture	14,603	14,578	14,492
Other liabilities	6,499	6,153	4,874
Total liabilities	737,936	667,508	636,440
STOCKHOLDERS' EQUITY			
Common stock	21,042	20,977	20,866
Retained earnings	34,038	31,707	26,448
Accumulated other comprehensive income, net of tax	(12,305)	(7,660)	560
Total stockholders' equity	42,775	45,024	47,874
Total liabilities & stockholders' equity	$ 780,711	$ 712,532	$ 684,314

CONSOLIDATED STATEMENTS OF INCOME

Unaudited (dollars in thousands, except per share data)

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30 2022	**June 30, 2022**	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**
INTEREST INCOME					
Non-PPP loans	$ 5,022	$ 4,568	$ 3,973	$ 13,875	$ 11,380
PPP loans	-	145	1,100	349	3,520
Securities	1,131	828	262	2,514	682
Other interest income	305	147	69	507	148
Total interest income	6,458	5,688	5,404	17,245	15,730
INTEREST EXPENSE					
Deposits	152	108	119	368	336
Borrowed funds	204	191	34	575	95
Total interest expense	356	299	153	943	431
NET INTEREST INCOME	6,102	5,389	5,251	16,302	15,299
Provision for loan losses	209	100	-	359	-
Net interest income after provision for loan losses	5,893	5,289	5,251	15,943	15,299
NONINTEREST INCOME					
Trust fee income	783	804	703	2,366	2,211
Service charges	324	322	300	944	819
Mortgage loan sales	29	90	138	240	526
Investment sales commissions	-	-	29	-	98
Merchant card services	153	134	151	394	351
Oregon Pacific Wealth Management income	239	252	224	741	611
Other income	514	179	84	783	240
Total noninterest income	2,042	1,781	1,629	5,468	4,856
NONINTEREST EXPENSE					
Salaries and employee benefits	2,787	2,642	2,305	8,043	6,979
Outside services	583	504	506	1,606	1,378
Occupancy & equipment	413	412	362	1,226	1,057
Trust expense	432	402	364	1,226	1,066
Loan and collection, OREO expense	21	23	30	71	95
Advertising	141	94	95	329	229
Supplies and postage	74	60	71	204	188
Other operating expenses	360	326	419	1,077	1,234
Total noninterest expense	4,811	4,463	4,152	13,782	12,226
Income before taxes	3,124	2,607	2,728	7,629	7,929
Provision for income taxes	792	663	686	1,909	1,998
NET INCOME	$ 2,332	$ 1,944	$ 2,042	$ 5,720	$ 5,931

Quarterly Highlights

	3rd Quarter 2022	2nd Quarter 2022	1st Quarter 2022	4th Quarter 2021	3rd Quarter 2021
Earnings					
Net interest income	$ 6,102	$ 5,389	$ 4,810	$ 5,018	$ 5,251
Provision for loan loss	209	100	50	-	-
Noninterest income	2,042	1,781	1,645	1,762	1,629
Noninterest expense	4,811	4,463	4,506	4,298	4,152
Provision for income taxes	792	663	455	612	686
Net income	$ 2,332	$ 1,944	$ 1,444	$ 1,870	$ 2,042
Average shares outstanding	7,070,433	7,070,686	7,057,361	7,042,478	7,042,478
Earnings per share	$ 0.33	$ 0.27	$ 0.20	$ 0.27	$ 0.29
Performance Ratios					
Return on average assets	1.28%	1.12%	0.84%	1.09%	1.22%
Return on average equity	20.41%	17.34%	12.02%	15.44%	17.24%
Net interest margin - tax equivalent	3.54%	3.27%	2.93%	3.04%	3.25%
Yield on loans	4.50%	4.45%	4.50%	4.99%	5.11%
Yield on loans - excluding PPP loans	4.50%	4.33%	4.37%	4.47%	4.49%
Yield on securities	2.39%	1.91%	1.49%	1.39%	1.39%
Cost of deposits	0.09%	0.07%	0.07%	0.07%	0.08%
Efficiency ratio	59.07%	62.21%	69.81%	63.39%	60.35%
Full-time equivalent employees	122	122	122	118	116
Capital					
Tier 1 capital	$ 72,410	$ 70,041	$ 68,040	$ 66,593	$ 64,685
Leverage ratio	9.95%	9.96%	9.72%	9.73%	9.70%
Common equity tier 1 ratio	14.81%	14.79%	16.42%	17.12%	18.50%
Tier 1 risk based ratio	14.81%	14.79%	16.42%	17.12%	18.50%
Total risk based ratio	16.06%	16.04%	17.68%	18.38%	19.75%
Book value per share	$ 6.05	$ 6.37	$ 6.52	$ 6.99	$ 6.80
Asset quality					
Allowance for loan losses (ALLL)	$ 6,328	$ 6,088	$ 5,959	$ 5,905	$ 6,026
Nonperforming loans (NPLs)	$ 424	$ 960	$ 593	$ 928	$ 1,388
Nonperforming assets (NPAs)	$ 424	$ 960	$ 593	$ 928	$ 1,388
Classified Assets (1)	$ 4,574	$ 5,089	$ 6,349	$ 8,756	$ 8,156
Net loan charge offs (recoveries)	$ (31)	$ (29)	$ (4)	$ 122	$ (2)
ALLL as a percentage of net loans	1.39%	1.40%	1.45%	1.48%	1.54%
ALLL as a percentage of net loans (excluding PPP)	1.39%	1.40%	1.46%	1.52%	1.67%
ALLL as a percentage of NPLs	1492.45%	634.17%	1004.89%	636.31%	434.15%
Net charge offs (recoveries) to average loans	-0.01%	-0.01%	0.00%	0.03%	0.00%
Net NPLs as a percentage of total loans	0.09%	0.22%	0.15%	0.24%	0.35%
Nonperforming assets as a percentage of total assets	0.05%	0.13%	0.08%	0.13%	0.20%
Classified Asset Ratio (2)	5.81%	6.68%	8.58%	12.08%	11.53%
Past due as a percentage of total loans	0.13%	0.12%	0.21%	0.21%	0.03%
Off-balance sheet figures					
Off-balance sheet demand deposits (3)	$ 60,588	$ 121,645	$ 78,674	$ 55,477	$ 57,105
Off-balance sheet time deposits (4)	$ -	$ -	$ 37,500	$ 47,500	$ 49,500
Unused credit commitments	$ 85,880	$ 93,411	$ 95,570	$ 83,778	$ 86,816
Trust assets under management (AUM)	$ 193,448	$ 195,058	$ 199,983	$ 201,264	$ 188,420
Oregon Pacific Wealth Management AUM	$ 116,193	$ 114,973	$ 127,749	$ 130,099	$ 122,274
End of period balances					
Total securities	$ 188,366	$ 170,977	$ 157,922	$ 123,076	$ 82,398
Total short term deposits	$ 97,840	$ 71,429	$ 98,345	$ 143,192	$ 186,565
Total loans net of allowance	$ 450,299	$ 429,390	$ 406,229	$ 392,250	$ 385,620
Total earning assets	$ 744,786	$ 679,835	$ 670,406	$ 665,780	$ 661,966
Total assets	$ 780,711	$ 712,532	$ 706,527	$ 691,721	$ 684,314
Total noninterest bearing deposits	$ 195,536	$ 189,112	$ 178,367	$ 171,380	$ 180,991
Total deposits	$ 712,710	$ 642,653	$ 636,384	$ 618,679	$ 612,950
Average balances					
Total securities	$ 186,535	$ 165,729	$ 143,830	$ 102,431	$ 73,271
Total short term deposits	$ 57,557	$ 73,515	$ 120,674	$ 165,901	$ 176,914
Total loans net of allowance	$ 436,522	$ 418,445	$ 398,423	$ 383,161	$ 388,212
Total earning assets	$ 688,723	$ 665,637	$ 670,330	$ 658,872	$ 645,779
Total assets	$ 720,465	$ 697,913	$ 699,808	$ 682,779	$ 666,455
Total noninterest bearing deposits	$ 191,292	$ 178,626	$ 171,184	$ 170,600	$ 183,950
Total deposits	$ 648,827	$ 627,700	$ 626,023	$ 610,981	$ 610,247

(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 loan losses.

(3) Deposits sold through IntraFi Network Deposits Insured Cash Sweep (ICS) program

(4) Deposits sold through IntraFi Network Deposits CDARs program

Oregon Pacific Bank at a Glance

Established on December 17, 1979 and headquartered in Florence, Oregon, we are proud to serve the communities of Coos Bay, Eugene, Florence, Medford, and Roseburg. Staffed by local decision makers, we specialize in offering holistic financial services to our local families and business owners.

Board of Directors

Jon Thompson | Chairman of the Board /Co-owner, KCST Radio Station

Dan Jones | Vice Chair of the Board /Owner, DJ Financial

Joe Benetti | Owner, Benetti's Italian Fine Foods

Tim Campbell | Partner/Owner, Campbell Commercial Real Estate

Ron Green | President/CEO, Oregon Pacific Bank

Kerrie Johnson | Owner/Loan Originator, Gallic & Johnson Financial

Bob Mans, OD | Co-owner, Florence Eye Clinic

Sabrina Parsons | CEO, Palo Alto Software

Robbie Wright | Owner, Siuslaw Broadband

Rick Yecny, CPA | Certified Public Accountant, Holloway and Associates CPAs

Bank Executive Officers

Ron Green | President, Chief Executive Officer

Amber White | Executive Vice President, Chief Financial Officer

James Atwood | Executive Vice President, Chief Credit Officer

John Raleigh | Executive Vice President, Chief Lending Officer