

OREGON COAST BANK (IN ORGANIZATION)

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New Community Bank Receives Regulatory Approvals

For Immediate Release

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Contact: Fred Postlewait
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Newport, OR – Oregon Coast Bank (in organization) has received preliminary approvals from both the State of Oregon and the Federal Deposit Insurance Corporation to form a new community bank headquartered in Newport to serve Lincoln County. Plans for the new bank have moved rapidly since it was announced last year that Lincoln County’s only locally owned and operated community bank, the former Lincoln Security Bank, was being purchased by Umpqua Holdings. Umpqua operates a chain of banks throughout the state. The directors of Oregon Coast Bank (in organization), all coastal residents, felt that it was imperative that Lincoln County had at least one locally owned and operated financial institution.

State and FDIC approvals were the final steps in the process to allow the Oregon Coast Bank (in organization) to begin capitalization with a stock offering. The required capital, as specified by the regulators, is \$4 million. To date, Oregon Coast Bank (in organization) has received \$4.2 million in non-binding, signed “letters of intent” from local investors.

Letters of intent are used to gauge the expected level of community support for proposed new banks prior to beginning the formal capital-raising process. “This area has always supported community banks, but \$4.2 million in signed letters of intent was certainly impressive to the regulatory agencies,” remarked Fred Postlewait, the bank's president. The formal stock offering for Oregon Coast Bank (in organization) will begin on Monday, March 18th, and will be limited to \$5 million of stock. “We’re planning on opening the bank as soon as we receive actual funds to meet the \$4 million minimum capital requirement,” explained Postlewait.

Historically, Lincoln County families and business have often shown a preference for dealing with locally owned community banks. “Many of the interstate chain banks have branches in the area because of our large senior community, which means a rich deposit base,” explained Postlewait. “But unfortunately, the chain banks usually don’t feel comfortable making loans into a local economy that depends on tourism and harvesting natural resources. Oregon Coast Bank (in organization) will fill that void.”

Lincoln Security Bank had grown significantly in its five-year history. Although the bank operated independently, 69% of its original ownership was held by Security Bank Holding Company of Coos Bay. In January 2001, Security Bank Holding Company bought out the minority shareholders, who were predominantly Lincoln County residents. Later that spring Security Bank Holding Company itself agreed to be acquired by Umpqua Holdings. “We’ve certainly learned from that lesson,” pointed out Postlewait. “Oregon Coast Bank’s (in organization) ownership will be broader based and controlled from Lincoln County. We intend to be every bit as successful as Lincoln Security Bank, but we also intend to remain as an independent community bank for many years.”

Local investors considering stock purchases in Oregon Coast Bank (in organization) can request a prospectus by contacting Postlewait, Vickie Spencer or any of the bank's directors at 541-265-9000.

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