

OREGON COAST BANK

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Local Bank Remains Solid

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Newport, OR – Troubles in the banking industry have become an almost daily feature in the national media, yet here on the central Oregon coast one financial institution has remained as solid as ever. In fact, based on all major indicators, Oregon Coast Bank has actually grown during the recent economic crisis.

Although the bank has invested more than \$290 million in the form of loans to local families and businesses in just the past six years, Oregon Coast Bank has always been considered fiscally conservative. Because of that conservative philosophy, the bank's loan portfolio has remained extremely healthy. As a result, Oregon Coast Bank has continued to be an active lender during a period when most financial institutions are reluctant to make loans. Oregon Coast Bank's lending activity has been especially brisk during the past two months as interest rates have dropped to historic lows. With 15 and 30-year fixed-rate mortgages around (and even below) 5%, customers are refinancing in droves.

"As a community bank, we are somewhat a reflection of the industries we serve," commented Fred Postlewait, President and Chief Executive Officer of Oregon Coast Bank. "The fishing, logging and tourism businesses have always been cyclical, so to survive business owners need to be extremely resilient. Many of them are our customers and perhaps a bit of their financial toughness has rubbed off on us."

Liquidity at Oregon Coast Bank remains high. The bank's loan to deposit ratio is currently the strongest in the state. Oregon Coast Bank deposits have grown rapidly as many consumers have chosen to cut their losses in the stock market and invest in FDIC-insured bank deposits. "We've tried to consistently offer CD rates that are amongst the highest in the state," explained Postlewait. "Although those rates are less than when the economy was booming, our CDs and IRAs remain very popular because customers can invest in them with no risk of loss."

While many banks across the country are cutting back, Oregon Coast Bank has experienced no layoffs and has actually hired extra personnel. Despite the bank's success, Postlewait remains cautious. "We continue to build our reserves on a daily basis. Community banks with conservative financial practices remain extremely solid and we're fortunate to be one of them."

Locally owned by about 100 central coast stockholders, Oregon Coast Bank employs 36 at offices in Newport, Pacific City, Lincoln City and Waldport. The bank's assets currently exceed \$125 million.

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