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## **Community banks increase deposits, remain a safe place for your money**

(Salem) — Despite the continued economic downturn, Oregon consumers should remain confident in the state's community banks, the Department of Consumer and Business Services said today. Many local banks are seeing increases in customer deposits, and at least two Oregon banks will be receiving a capital injection from the U.S. Treasury.

“Oregon banks, like their counterparts throughout the nation, are certainly feeling the effects of the economic downturn,” said Cory Streisinger, director of the Department of Consumer and Business Services. “But the majority of Oregon banks have strong fundamentals, and we are confident that community banking will remain a vibrant industry in Oregon and an integral part of Oregon communities for years to come.”

The department's Division of Finance and Corporate Securities reports that despite the economic downturn, a number of state-chartered banks saw an increase in deposits in the third quarter. Deposits at Oregon-chartered banks totaled \$17.9 billion at the end of the third quarter, up from \$17.4 billion in the second quarter.

“This is a well-deserved vote of confidence in local banks,” Streisinger said. “Consumers know their money is safe in local banks and can be put to work in their communities.”

In addition, Oregon banks are receiving capital from the U.S. Treasury in order to make loans and acquisitions to help the economy. Umpqua Bank and Capital Pacific Bank have applied and been approved to sell stock to the U.S. Treasury as part of the Capital Purchase Program (CPP), and several other Oregon banks have applied and are waiting for approval. Umpqua Bank sold \$214 million in preferred stock in the CPP, and Capital Pacific Bank plans to sell \$4 million in stock upon approval of its stockholders.

This infusion of capital will help Oregon banks make loans and may put some Oregon banks in a position to acquire others, according to David Tatman, administrator of the Division of Finance and Corporate Securities.

“In the years leading up to the economic downturn, Oregon banks were experiencing a period of incredible growth – assets and profitability were much higher than the national average, and several new banks entered the Oregon market,” Tatman said. “Consolidation typically occurs after periods of growth, and some banks may find that partnering will make them stronger.”

Meantime, Oregon banks are definitely open for business, said Linda Navarro, president and chief executive officer of the Oregon Bankers Association.

“Oregon's community banks continue to offer a variety of loan products for qualified borrowers and to provide a safe place for Oregonians to deposit their money,” Navarro said.

In fact, customers of any type of bank or credit union – state or federally chartered – should know that their deposits are safe and secure because they have federally guaranteed insurance coverage. The federal government recently increased coverage for both bank and credit union depositors from \$100,000 to \$250,000 until Dec. 31, 2009. Insurance coverage for noninterest-bearing transactional accounts – such as business

checking accounts – is unlimited. For more information, go to: <http://www.fdic.gov/deposit/index.html> or <http://www.ncua.gov/ShareInsurance/Index.htm>.

The Department of Consumer and Business Services has increased its oversight of all Oregon financial institutions, including banks, to ensure their safety and soundness. Its Division of Finance and Corporate Securities conducts regular examinations of Oregon's 35 state-chartered banks and is hiring five new financial examiners to conduct additional examinations of Oregon's banks and take a closer look at individual banks' loan portfolios.

Bank customers with questions are encouraged to call their banks directly or contact the Division of Finance and Corporate Securities at 503-378-4140. More information about banks is also available on the division's Web site at <http://dfcs.oregon.gov>.

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The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. For more information, visit <http://dfcs.oregon.gov>.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit <http://dcbs.oregon.gov>.