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REDDING BANK EXPANDS INTO THE NORTH BAY MARKET
Former NBR staffer to open first offer

The siege on the North Bay banking market continues, only this time the invaders are from the north.

North Valley Bank (Nasdaq: NOVB), based in Redding, is bringing its \$19 million lending limit to downtown Santa Rosa where it is setting up a loan production office. The \$864 million-in-assets institution has signed a lease at 100 B Street and has hired former National Bank of the Redwoods employee Robbie Kelly to run the new office.

“We have a plan to move south in the state along the coast and through the valley, and this move is a big step in that vision,” says North Valley Bank president and CEO Mike Cushman. “We’ve looked at moving into the Santa Rosa market many times in the last few years, and we finally decided that now was the right time.”

North Valley Bank also plans to open a loan production office in Ukiah and recently completed its acquisition of Yolo Community Bank, which has operations in Woodland, Roseville, and Fairfield. In Ukiah, North Valley Bank has hired another former NBR employee, John Horne, to head the office.

Including the acquisition and its plans in Santa Rosa and Ukiah, the company will have 25 branches and offices.

“The Yolo Community Bank [acquisition] represents the beginning of our move through the central valley,” says Mr. Cushman. “Both areas are growing rapidly, and we have very high hopes.”

Mr. Cushman sees the loan production offices in Santa Rosa and Ukiah as stepping-stones to opening full-service branches in the two cities, and he plans to file applications for branches with the FDIC at the beginning of 2005. The bank estimates the Ukiah office will employ four or five people, and the Santa Rosa office six to eight. Hiring will not be complete until the beginning of 2005, and the offices will not open until February.

Mr. Cushman says the bank plans to avoid the retail market and target the business community.

“I’ve been spending a lot of time in Santa Rosa and the area in recent months, and we like the market,” he says. “Part of our team will be focused on the business and professional side of banking, and we will have a real estate group that will go after both the commercial and residential market. We are also planning to offer a variety of financial services to high net worth individuals.”

Mr. Cushman says the startup costs of the Santa Rosa office will be roughly \$250,000 and the Ukiah office roughly \$200,000. He figures the offices should break even within a year of opening.

Danny Jones of Keegan & Coppin represented the property owner, Berg Holdings, in the lease of the Santa Rosa office space, while **Connie Bradley of Orion Partners** represented the bank. **Kyoob Design** is handling the interior renovations to the 3,321sf space.