Bank of the Pacific to Purchase Sterling Bank Branch in Aberdeen

Local News

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Aberdeen, Washington - Pacific Financial Corporation (OTCBB: PFLC) (the “Company”) announced that its wholly-owned subsidiary, Bank of the Pacific, has entered into a definitive agreement to acquire the Aberdeen, Washington; Astoria, Oregon; and Seaside, Oregon branches of Sterling Savings Bank, a wholly-owned subsidiary of Sterling Financial Corporation. The transaction will expand Bank of the Pacific’s operations to 17 branches in Washington and 3 branches in Oregon.Under the terms of the agreement, Bank of the Pacific will acquire approximately $50 million of deposits, paying a deposit premium of 2.77% on core in-market deposits assumed. Additionally, approximately $6 million of performing loans will be acquired. “We are very excited about expanding our footprint with these branch locations, particularly in Oregon. This compliments nicely our current branch construction in Warrenton, Oregon and will provide our new and existing customers with added convenience and service in Clatsop County, as well as boosting our presence in Aberdeen, Washington.” said Dennis Long, President and CEO.

The transaction, which is subject to regulatory approval and other customary conditions of closing, is expected to be completed during the second quarter of 2013. Upon completion of the acquisition, the three Sterling Bank branches will operate under the Bank of the Pacific name, and will become part of the Bank of the Pacific’s branch network of locations in the Washington and Oregon coastal regions.Graham & Dunn, PC served as the legal advisor to Bank of the Pacific.**About Pacific Financial Corporation**Pacific Financial Corporation of Aberdeen, Washington, is the bank holding company for Bank of the Pacific, a state chartered and federally insured commercial bank. Bank of the Pacific offers banking products and services to small-to-medium sized businesses and professionals in Washington and Oregon. As of December 31, 2012, the Company had assets of $644 million and operated 16 branches in the communities of Grays Harbor, Pacific, Whatcom, Skagit and Wahkiakum counties in the State of Washington, and one branch in Clatsop County, Oregon. Visit the Company’s website at www.bankofthepacific.com.**Pacific Financial Corporation** **Pacific Financial Corporation**
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