News Release
October 25, 2012

SIUSLAW REPORTS THIRD QUARTER EARNINGS; DECLARES CASH DIVIDEND

Florence, OR: (BUSINESS WIRE) Siuslaw Financial Group (SFGP) and its subsidiary, Siuslaw Bank, announced 3rd quarter 2012 consolidated net income of $1,040,000 or $0.25 per share, compared to $621,000 or $0.15 per share for third quarter 2011. Year to date after tax earnings were $2,433,000 compared to $1,989,000 million in 2011, up $444,000 or 22.3%.

Siuslaw reported $330.5 million in total assets, deposits of $283.7 million and loans of $214.7 million at quarter end, compared to $334.9 million in assets, $290.5 million in deposits, and $211.1 million in loans respectively in 2011.

"We are seeing increasing loan volume and a decrease in problem assets," said Chairman and CEO, Johan Mehlum. "Steps implemented to improve the balance sheet in the problem loan area have taken hold and Siuslaw recorded no provision for loan losses in the third quarter, this reflects improved credit quality and recoveries recorded during the quarter,".

The Board of Directors of Siuslaw Financial Group, the parent company of Siuslaw Bank, declared a $0.05 per share quarterly cash dividend to common shareholders and $0.0525 to preferred shareholders. The dividend is payable to shareholders of record as of November 5, 2012 and payable on or before November 15, 2012.

Headquartered in Florence, Siuslaw Financial Group is the parent company of Siuslaw Bank, with offices in Cottage Grove, Creswell, Eugene, Florence, Mapleton, Oakridge, Pleasant Hill, Springfield and Veneta, all in Lane County.

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