

Local bank marks 75th anniversary

Monterey Bay Bank celebrates with huge gift to Cabrillo College's Watsonville campus

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WATSONVILLE — As it approaches its 75-year milestone of service to area residents and businesses, Monterey Bank Bancorp officials celebrate the distinction of remaining the only Santa Cruz County-owned financial institution as well as chalking up the most profitable year of its existence.

Pending the approval to the sale of Coast Commercial Bank to a Palo Alto-based bank holding company at the end of May, Watsonville-based Monterey Bay Bank will be the only truly locally managed bank in the county.

The bank — which went public five years ago — faced serious pressure last year from several large shareholders to seek a buyer. By threatening a proxy fight, one of those shareholders, Josiah Austin of Texas, won a seat on the bank's board of directors to further that agenda.

"Joe will be leaving our board

at the end of next month," said bank president Marshall Delk. "He joined our board for one year with a one-item agenda. We did what he asked and ended up where we ended up and now we're moving on."

Bank officials are moving on to what they hope will be another record-breaking year, after posting \$175 million in loans and increasing the bank's deposit base about 20 percent in 1999. The bank's assets totaled \$463 million at the end of last year.

"We've seen very, very healthy growth," said Delk. "A lot of that came as a result of

the big organizations just getting bigger and more impersonal and it's been a rare opportunity to pick up customers. People are just deciding they don't want to do business with what I call 'the McDonald's' of banking."

"We made a commitment of \$75,000 toward the new Cabrillo campus in Watsonville, which is the largest single gift it's gotten," Delk said. Delk and former mayor Ann Soldo are leading local fundraising efforts to equip the new \$6 million with supplies. So far, they have raised more than \$725,000 for desks blackboards and test tubes for the new campus.

The firm is also getting ready to

watch longtime CEO Gene Friend hand over those reigns to C. Edward Holden, formerly executive vice president and senior lending officer for Pacific Bank in San Francisco. Holden, 52, earned an advanced degree in business at UCLA.

"Gene's 76 and he decided to retire," said Delk. "A lot of people in this town know Gene. He's been very involved with the community and is a member of the Watsonville High School Hall of Fame."

Friend will continue to serve as chairman of the board until the annual shareholders meeting in 2001.

Delk said that going public raised \$27 million in capital and compelled the bank to transform itself from a slow growth to an aggressive financial institution.

"Capital has compelled us to reach the manifest destiny embodied in our name," Delk said. The bank recently opened new branches in Capitola and Felton, bringing the number of its Central Coast stores to eight. Delk said more expansion is planned but declined to offer specifics.

"This year, we've really begun a different way of doing business," Delk said. The bank has added commercial real estate loans, multi-family homes, and residential mortgages to its traditional home loan business, racking up \$173.3 million in loans.

In March and April, the bank sponsored a series of home construction financing seminars for both borrowers and brokers and made it easier for small and mid-sized businesses to borrow from \$5,000 to \$25,000.

Monterey Bay Bank is a wholly-owned subsidiary of Monterey Bay Bancorp, Inc.



Friend