



Frontier Bank reports first earnings in a year

Community bank seeing improvement after drastic shakeup
The Park Record

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Park City's and Southern California's improving real estate markets allowed Frontier Bank's parent company to report its first positive earnings in five quarters on Monday.

According to Joe Kiley, CEO of Western Community Bancshares, of which Frontier Bank is a subsidiary, the gains are modest but show the bank is heading in the right direction.

As the company forecloses on property, sells it and eliminates it from the books, the bank's ratio of capital to assets is improving. It has also been able to sell the property at relatively good prices, which accounted for the earnings, Kiley explained.

The bank has also hired an investment banker from a nationally-respected firm with a successful track record in helping community banks raise capital.

These successes are getting the bank closer to freeing itself from the oversight of government regulators that began earlier this year, he added.

"We've got things somewhat turned around," he said. "All in all, it was a good quarter."

Frontier Bank this quarter also closed its mortgage banking division that was responsible for originating and selling mortgages to the secondary market. The division was losing money and low transaction volumes contributed to the losses incurred by it. The benefits of that change will be seen fully in the 3rd quarter report, Kiley said. The bank will now hold onto all the mortgages it provides.

"We're still lending in the communities in which we serve," he added.

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