

Anchor Savings Bank Consents to FDIC Ruling

Local News

Posted by: David Haviland

Posted on : September 28, 2009 at 10:17 am

ABERDEEN, Wash. - Friday, September 25, 2009 - Anchor Bank ("Anchor" or "Bank") announced today that it had signed an agreement with the Federal Deposit Insurance Corporation ("FDIC") and Washington State Department of Financial Institutions ("DFI") to consent to the issuance of a [stipulated regulatory order](#) ("Order"). While Anchor has agreed to the Order, it has not admitted or denied any of the allegations contained in the Order. No fines or penalties were imposed but the Bank is required to take corrective actions in a number of areas. The Bank is committed to serving the needs of its customers by making loans, accepting deposits, and processing banking transactions while working to comply with all aspects of the Order. All customer deposits remain fully insured to the highest limits set by the FDIC.

"The issues Anchor is facing are fairly common to other community banks operating in the Pacific Northwest which have significant exposure to land development and speculative construction lending," said Jerry Shaw, Anchor's President and Chief Executive Officer.

Anchor Bank management and its Board of Trustees had previously identified the issues contained in the Order, and have been working to resolve them for a substantial period of time. Mr. Shaw commented, "We have met many challenges through the years, and we are committed to this organization's success. We continue to work with, and cooperate fully with, the FDIC and DFI." Anchor Bank has already instituted corrective actions to improve its operations. Our lending staff has been reorganized, our loan portfolio has been reviewed by outside consultants to assist in ensuring that proper measures are undertaken to improve asset quality, and loan policies and procedures have been reviewed and updated as needed.

In addition, Anchor Bank has implemented cost control measures, enhanced its capital management plan, and enhanced its liquidity and funds management practices.

Anchor Bank's Board of Trustees and its management are committed to facing these current challenges, while continuing to meet the needs of our customers

Customers with questions are encouraged to visit their Anchor Bank branch and meet with a Bank representative.