CAPITAL PURCHASE PROGRAM (CPP) LENDING REPORT

Name of institution: Western Community Bancshares Inc. (Frontier Bank FSB)
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Submission date: May 7, 2009

RSSD (for Bank Holding Companies):
Holding Company Docket Number (for Thrift Holding Companies): H4233
FDIC Certificate Number (for depository institutions): 34738

LENDING ACTIVITY (Thousands $)	2009 FEB	2009 MAR	Key	Comments
1. Loan Balances				
a. Average Consumer Loans	$144,768	$142,072	Includes 1-4 family residential mortgages, home equity lines of credit, construction of 1-4 family, overdraft line of credit for consumer accounts and other consumer loans (auto & personal). Month-end data is used for this report	Loan volume was robust in March, but loan pre-payments were also exceptionally high. Two loan prepayments alone represented nearly $6 million in lost receivables.
b. Average Commercial Loans	$126,361	$125,340	Includes Commerical, lot loans, and multi family mortgages and all business loans, Month-end data is used for this report	
c. Total Loans (sum of lines a and b)	$264,758	$261,499		

2. General Market Commentary (optional)

The Coachella Valley continues to be one of the harder hit regions of the United States with unemployment rates at approximately 12.4%. While our core clientele are weathering the economic environment as well as can be expected, construction related jobs remained subdued at best. Areas of the Valley with high Hispanic populations seem to be bearing the brunt of the economic downturn as manual work such as construction or hotels continue to provide fewer jobs than existed in recent years. In the Utah market, weakness exists although at a much reduced rate to national averages or the Coachella Valley. While home sales activity is down, prices are holding up reasonably well. New communities built over the last five years seem to be bearing the brunt of weakened economy in Utah.