



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE
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Kitsap Bank, Port Orchard, Washington, Assumes All of the Deposits of Westsound Bank, Bremerton, Washington

Westsound Bank, Bremerton, Washington, was closed today by the Washington Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Kitsap Bank, Port Orchard, Washington, to assume all of the deposits, except those from brokers, of Westsound Bank.

Westsound Bank's nine offices will reopen on Monday as branches of Kitsap Bank. Depositors of the failed bank will automatically become depositors of Kitsap Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage.

Over the weekend, customers of Westsound Bank can access their deposits by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of March 31, 2009, Westsound Bank had total assets of \$334.6 million and total deposits of \$304.5 million. Kitsap will not assume the approximately \$9.4 million in brokered deposits. The FDIC will pay the brokers directly. Customers who placed money with brokers should contact them directly for more information about the status of their deposits.

Customers who would like more information on today's transaction should visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/westsound.html>.

In addition to assuming the failed bank's deposits, Kitsap Bank will purchase \$49.3 million of assets comprised of cash, cash equivalents, marketable securities and loans secured by deposits. The FDIC will retain the remaining assets for later disposition.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-69-2009

The transaction is the least costly resolution option, and the FDIC estimates the cost to its Deposit Insurance Fund will be \$108 million. Westsound Bank is the 33rd FDIC-insured institution to be closed this year and the second in Washington. The last bank to be closed in the state was the Bank of Clark County on January 16, 2009.