



# PRESS RELEASE

Federal Deposit Insurance Corporation

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For Immediate Release

## **FDIC Settles with PricewaterhouseCoopers LLP on Audits of a Failed Bank**

The Federal Deposit Insurance Corporation as Receiver for Colonial Bank (FDIC) has announced a \$335 million settlement with PricewaterhouseCoopers LLP (PwC) related to professional negligence claims brought by the FDIC against PwC arising out of the audits of the failed Colonial Bank.

On December 28, 2017, the United States District Court for the Middle District of Alabama held PwC liable for professional negligence in its audit of Colonial Bank and, on July 2, 2018, the district court awarded damages to the FDIC on its claims. Previously, on April 3, 2018, the FDIC settled professional negligence claims against Crowe Horwath LLP arising out of its internal audits of Colonial Bank for \$60 million.

Colonial Bank of Montgomery, Alabama failed on August 14, 2009, with \$25.5 billion in assets and a loss to the Deposit Insurance Fund estimated at \$2.958 billion as of December 31, 2017.

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 5,406 as of December 31, 2018. 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.

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