



# PRESS RELEASE

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

FOR IMMEDIATE RELEASE  
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## **BB&T, Winston-Salem, North Carolina, Assumes All of the Deposits of Colonial Bank, Montgomery, Alabama**

Colonial Bank, Montgomery, Alabama, was closed today by the Alabama State Banking Department, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Branch Banking and Trust (BB&T), Winston-Salem, North Carolina, to assume all of the deposits of Colonial Bank.

Colonial Bank's 346 branches in Alabama, Florida, Georgia, Nevada and Texas will reopen under normal business hours beginning tomorrow and operate as branches of BB&T. Depositors of Colonial Bank will automatically become depositors of BB&T. 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. Customers should continue to use their existing branches until BB&T can fully integrate the deposit records of Colonial Bank.

This evening and over the weekend, depositors of Colonial Bank can access their money 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.

"The past 18 months have been a very trying period in the financial services arena, but the FDIC and its staff have performed as Congress envisioned when it created the corporation more than 75 years ago," said FDIC Chairman Sheila C. Bair. "Today, after protecting almost \$300 billion in deposits since the current financial crisis began, the FDIC's guarantee is as certain as ever. Our industry funded reserves have covered all losses to date. In fact, losses from today's failures are lower than had been projected. I commend our staff for their excellent work in assuring once again a smooth transition for bank customers with these resolutions. The FDIC continues to stand by the nation's



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](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://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-143-2009

insured deposits with the full faith and credit of the U.S. government. No depositor has ever lost a penny of their insured deposits."

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-405-8739. The phone number will be operational this evening until 9:00 p.m., Central Daylight Time (CDT); on Saturday from 9:00 a.m. to 6:00 p.m., CDT; on Sunday from noon to 6:00 p.m., CDT; and thereafter from 8:00 a.m. to 8:00 p.m., CDT. Interested parties can also visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/colonial-al.html>.

As of June 30, 2009, Colonial Bank had total assets of \$25 billion and total deposits of approximately \$20 billion. BB&T will purchase approximately \$22 billion in assets of Colonial Bank. The FDIC will retain the remaining assets for later disposition.

The FDIC and BB&T entered into a loss-share transaction on approximately \$15 billion of Colonial Bank's assets. BB&T will share in the losses on the asset pools covered under the loss-share agreement. The loss-sharing arrangement is projected to maximize returns on the assets covered by keeping them in the private sector. The agreement is also expected to minimize the disruptions for loan customers.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$2.8 billion. BB&T's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to alternatives. Colonial Bank is the 74th FDIC-insured institution to fail in the nation this year, and the first in Alabama. The last FDIC-insured institution to be closed in the state was Birmingham FSB, Birmingham, on August 21, 1992.