



# PRESS RELEASE

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

FOR IMMEDIATE RELEASE  
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## **Herring Bank, Amarillo, Texas, Assumes All of the Deposits of Colorado National Bank, Colorado Springs, Colorado**

Colorado National Bank, Colorado Springs, Colorado, was closed today by the Office of the Comptroller of the Currency, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Herring Bank, Amarillo, Texas, to assume all of the deposits of Colorado National.

The four offices of Colorado National will reopen as branches of Herring Bank on Saturday. Depositors of Colorado National will automatically become depositors of Herring 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. Customers of both banks should continue to use their existing branches until Herring Bank can fully integrate the deposit records of Colorado National.

Over the weekend, depositors of Colorado National 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.

As of December 31, 2008, Colorado National had total assets of \$123.5 million and total deposits of \$82.7 million. In addition to assuming all of the deposits of the failed bank, Herring Bank agreed to purchase approximately \$117.3 million in assets at a discount of \$4.2 million, and pay a discount of 1.27% percent on deposits. The FDIC will retain the remaining assets for later disposition.

The FDIC and Herring Bank entered into a loss-share transaction. The FDIC will share 80/20 percent in the losses with Herring Bank on approximately \$62 million in assets covered under the agreement. The loss-sharing arrangement is projected to maximize returns on the covered assets and minimize disruptions for loan customers.



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-45-2009

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-830-4698. The phone number will be operational this evening until 9:00 p.m., MDT; on Saturday from 9:00 a.m. to 6:00 p.m., MDT; on Sunday from noon to 6:00 p.m., MDT; and thereafter from 8:00 a.m. to 8:00 p.m., MDT. Interested parties can also visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/coloradonational.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund will be \$9 million. Herring Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's Deposit Insurance Fund compared to alternatives. Colorado National is the nineteenth FDIC-insured institution to fail in the nation this year and the first in the state. The last FDIC-insured institution closed in Colorado was BestBank, Boulder, on July 23, 1998.

Colorado National Bank was affiliated with Teambank, Paola, Kansas, which was also closed today by the Office of the Comptroller of the Currency. The FDIC entered into a separate transaction with Great Southern Bank, Springfield, Missouri, to assume the banking operations of Teambank.