



PRESS RELEASE

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

FOR IMMEDIATE RELEASE
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Washington Federal Savings and Loan Association, Seattle, Washington, Assumes All the Deposits of Horizon Bank, Bellingham, Washington

Horizon Bank, Bellingham, Washington, was closed today by the Washington State 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 Washington Federal Savings and Loan Association, Seattle, Washington, to assume all of the deposits of Horizon Bank.

The 18 branches of Horizon Bank will reopen during their normal business hours beginning tomorrow as branches of Washington Federal Savings and Loan Association. Depositors of Horizon Bank will automatically become depositors of Washington Federal Savings and Loan Association. 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 branch until they receive notice from Washington Federal Savings and Loan Association that it has completed systems changes to allow other Washington Federal Savings and Loan Association branches to process their accounts as well.

This evening and over the weekend, depositors of Horizon 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.

As of September 30, 2009, Horizon Bank had approximately \$1.3 billion in total assets and \$1.1 billion in total deposits. Washington Federal Savings and Loan Association did not pay the FDIC a premium to assume all the deposits the Horizon Bank. In addition to



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-4-2010

assuming all of the deposits of the failed bank, Washington Federal Savings and Loan Association agreed to purchase essentially all of the assets of the failed bank.

The FDIC and Washington Federal Savings and Loan Association entered into a loss-share transaction on approximately \$1.0 billion of Horizon Bank's assets. Washington Federal Savings and Loan Association will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please

visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-430-6165. The phone number will be operational this evening until 9:00 p.m., Pacific Standard Time (PST); on Saturday from 9:00 a.m. to 6:00 p.m., PST; on Sunday from noon to 6:00 p.m., PST; and thereafter from 8:00 a.m. to 8:00 p.m., PST.

Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/horizon-wa.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$539.1 million. Washington Federal Savings and Loan Association's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. Horizon Bank is the first FDIC-insured institution to fail in the nation this year, and the first in Washington. The last FDIC-insured institution closed in the state was Venture Bank, Lacey, on September 11, 2009.
