



# PRESS RELEASE

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

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## **Stearns Bank, National Association, St. Cloud, Minnesota, Assumes All of the Deposits of Covenant Bank & Trust, Rock Spring, Georgia**

FOR IMMEDIATE RELEASE

Covenant Bank & Trust, Rock Spring, Georgia, was closed today by the Georgia Department of Banking and Finance, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Stearns Bank, National Association, St. Cloud, Minnesota, to assume all of the deposits of Covenant Bank & Trust.

The two branches of Covenant Bank & Trust will reopen on Monday as branches of Stearns Bank, National Association. Depositors of Covenant Bank & Trust will automatically become depositors of Stearns Bank, National Association. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of Covenant Bank & Trust should continue to use their existing branch until they receive notice from Stearns Bank, National Association that it has completed systems changes to allow other Stearns Bank, National Association branches to process their accounts as well.

This evening and over the weekend, depositors of Covenant Bank & Trust 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, 2011, Covenant Bank & Trust had approximately \$95.7 million in total assets and \$90.6 million in total deposits. In addition to assuming all of the



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-32-2012

deposits of the failed bank, Stearns Bank, National Association agreed to purchase essentially all of the assets.

The FDIC and Stearns Bank, National Association entered into a loss-share transaction on \$71.6 million of Covenant Bank & Trust's assets. Stearns Bank, National 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 with questions about today's transaction should call the FDIC toll-free at 1-800-537-4048. The phone number will be operational this evening until 9:00 p.m., Eastern Daylight Time (EDT); on Saturday from 9:00 a.m. to 6:00 p.m., EDT; on Sunday from noon to 6:00 p.m., EDT; on Monday from 8 a.m. to 8 p.m., EDT; and thereafter from 9:00 a.m. to 5:00 p.m., EDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/covenant.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$31.5 million. Compared to other alternatives, Stearns Bank, National Association's acquisition was the least costly resolution for the FDIC's DIF. Covenant Bank & Trust is the fourteenth FDIC-insured institution to fail in the nation this year, and the fourth in Georgia. The last FDIC-insured institution closed in the state was Global Commerce Bank, Doraville, on March 2, 2012.

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