



Office of Thrift Supervision

FACT SHEET

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TierOne Bank

Institution Profile (March 31, 2010)

- Total Assets: \$2.8 billion
- Headquarters: Lincoln, Neb.
- Branches: 69 branches (59 in Nebraska, nine in Iowa, and one in Kansas)
- Employees: 764
- TierOne Bank was a federally chartered stock savings bank

Financial Details (March 31, 2010)

- Retail Deposits: \$2.2 billion (79.6 percent of total liabilities and capital)
- Brokered Deposits: None
- FHLB Advances: \$528.2 million (19.2 percent of total liabilities and capital)
- Loan Portfolio:
 - One- to four-family permanent residential mortgages: \$661.1 million (23.4 percent of total assets);
 - Non-residential mortgages: \$445.8 million (15.8 percent of total assets);
 - Commercial: \$247.6 million (8.8 percent of total assets);
 - Multi-family mortgages: \$194.4 million (6.9 percent of total assets)
- Interest-earning Deposits: \$536.5 million (19.0 percent of total assets)
- Non-performing Loans and Repossessed Assets: \$556.6 million (19.7 percent of total assets)

Institution History

- TierOne Bank was organized in 1907 in Lincoln, Nebraska. In 2002, the bank changed its name to TierOne Bank.
- TierOne was a federally chartered stock institution owned by TierOne Corporation, a non-diversified, unitary thrift holding company established in 2002 that was publicly traded on the NASDAQ under the ticker symbol “TONE.” NASDAQ delisted TONE on May 7, 2010

Key Facts and Events

- *Capital and Earnings* – TierOne incurred operating losses since mid-2007 with negative earnings in 10 of the prior 11 quarters. The losses, resulting from increasing levels of non-performing assets and loan loss provisions, depleted capital. Since March 31, 2009, core capital declined 74 percent while real estate owned more than doubled and non-performing assets tripled, resulting in TierOne becoming PCA significantly undercapitalized.
- *Asset Quality* – The growth in TierOne’s problem assets resulted from concentrations in construction, land, and commercial real estate loans in markets with significant declines in real estate values, including Florida, Nevada, and California. Loan loss provisions equaled \$214 million in 2009.
- *Receivership* – TierOne had insufficient capital and substantial loan losses. Attempts to recapitalize, sell, or merge the institution were unsuccessful. OTS closed TierOne and appointed the FDIC as receiver on June 4, 2010.

Formal OTS Enforcement Actions

- January 15, 2009 – Supervisory Agreement
- March 31, 2010 – Prompt Corrective Action Directive
- June 3, 2010 – Order to Cease and Desist