



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF ATLANTIC NATIONAL BANK, NORFOLK, VIRGINIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Atlantic National Bank, Norfolk, Virginia, by the newly chartered New Atlantic Bank, National Association, Norfolk, Virginia.

The failed bank's two offices will reopen on Friday, December 8, 1989, as New Atlantic Bank, National Association, and its depositors automatically will become depositors of the assuming bank.

Atlantic National Bank, with total assets of \$15.4 million, was closed on Thursday, December 7, 1989, by Robert J. Hermann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

New Atlantic Bank, National Association will assume about \$14.1 million in 3,200 deposit accounts and has agreed to pay the FDIC a purchase premium of \$500,000. It will purchase certain of the failed bank's loans and other assets for \$11.1 million. To facilitate the transaction, the FDIC will advance about \$2.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.3 million.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC.

The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.