



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF MCNULTY BANKING COMPANY, ST. PETERSBURG, FLORIDA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of McNulty Banking Company, St. Petersburg, Florida, by Barnett Bank of Pinellas County, St. Petersburg, Florida.

The failed bank's four offices will reopen on Monday, August 17, 1987, as branches of Barnett Bank of Pinellas County, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

McNulty Banking Company, with total assets of \$50.0 million, was closed on Friday, August 14, 1987, by Gerald Lewis, Florida State Comptroller and the FDIC was named receiver.

Barnett Bank of Pinellas County will assume about \$49.9 million in 7,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$2,140,813.47. It also will purchase certain of the failed bank's assets for \$15.3 million. To facilitate the transaction, the FDIC will advance about \$32.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$34.7 million. Barnett Bank of Pinellas County will have an option to purchase any of the assets retained by the FDIC. The exercise of this option is expected to reduce the FDIC's net cash outlay.

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 shareholders of the closed bank.

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