



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-238-87 (12-21-87)

FDIC DECLARES DIVIDEND ON PREFERRED STOCK OF FRANKLIN NATIONAL BANK, NEW YORK CITY

The Federal Deposit Insurance Corporation (FDIC), as receiver of Franklin National Bank, announced today that it has declared a dividend on the bank's 4.60% cumulative preferred stock. The dividend of \$62.10 per share on the 177,119 outstanding shares is payable on December 31, 1987, to the holders of record of the stock on November 1, 1987. The dividend, aggregating \$10,999,089.90, is equal to the accrued but undeclared and unpaid dividends on the stock through November 1, 1987.

The FDIC also announced that on December 31, 1987, it will retire 50 percent of the outstanding shares of stock held by each stockholder of record on November 1, 1987, and will pay to each stockholder an amount equal to the par value of the stock (\$100 per share) that is to be retired plus an amount equal to the dividends accrued on the stock between November 1 and December 31, 1987. After the date of retirement, dividends on those shares will cease to accrue.

The payment to preferred stockholders is possible because the proceeds from the liquidation of the bank's assets have permitted the payment of substantially all non-contingent liabilities and the costs of liquidation and the establishment of reserves for known contingent liabilities. Franklin National Bank, which was closed by the Comptroller of the Currency on October 8, 1974, was the largest failed commercial bank in FDIC history.

The FDIC anticipates retiring additional stock in the future, depending on future collections from the liquidation of the bank's remaining assets, the expenses of liquidation and the receivership's liabilities.

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The attached statement contains condensed financial information concerning the assets and liabilities of the receivership as of September 30, 1987 and the receipts and disbursements of the receivership for the nine months ended September 30, 1987, and for the period commencing on January 1, 1981 through September 30, 1987.

This report continues the FDIC's effort to keep the public and the creditors and stockholders of the bank fully informed of the progress of the receivership.

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Attachment -- (3 pages)