



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF FLORIDA CENTER BANK, ORLANDO, FLORIDA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Florida Center Bank, Orlando, Florida, by American National Bank of Florida, Jacksonville, Florida.

The failed bank's two offices will reopen on Monday, April 21, 1986, as branches of American National Bank of Florida and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Florida Center Bank, which had total assets of \$75.7 million, was closed on Friday, April 18, 1986, by Gerald A. Lewis, Comptroller of Florida, and the FDIC was named receiver. Mr. Lewis said: "Florida Center Bank experienced an increase in poor quality loans that were extended based upon high-cost brokered deposits. The increase in the bank's cost of money hurt its cash flow. Capital also has been impaired by large potential loan losses."

American National Bank of Florida will assume about \$69.4 million in 4,400 deposit accounts and has agreed to pay the FDIC a purchase premium of \$3.6 million. It also will purchase certain of the failed bank's loans and other assets for \$23.0 million. To facilitate the transaction, the FDIC will advance \$27.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$52.7 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 Board made such a finding in this case because of the premium paid by American National Bank of Florida.

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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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