



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF
THE FIRST NATIONAL BANK OF JACKSONVILLE, JACKSONVILLE, ALABAMA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The First National Bank of Jacksonville, Jacksonville, Alabama, have been assumed by AmSouth Bank of Jacksonville, Jacksonville, Alabama, a newly-chartered bank. The failed bank's four offices will reopen on Monday, July 8, 1985, as offices of AmSouth Bank of Jacksonville, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The First National Bank of Jacksonville was closed on Friday, July 5, 1985, by Michael Patriarca, Deputy Comptroller of the Currency, and the FDIC was named receiver. Mr. Patriarca said: "During the week of July 1, 1985, fraudulent loans in an amount sufficient to exhaust capital were found. The bank was unable to remedy the problem and as a result was declared insolvent."

AmSouth Bank of Jacksonville will assume about \$40.4 million in 13,000 deposit accounts and has agreed to pay the FDIC a purchase premium of \$3,150,000. It also will purchase certain of the failed bank's loans and other assets for \$27.1 million. To facilitate the transaction the FDIC will advance \$10.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$16.8 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 AmSouth Bank of Jacksonville.

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The FDIC expects to recover a substantial 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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