



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE
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Bank of Essex, Tappahannock, Virginia, Acquires All the Deposits of Suburban Federal Savings Bank, Crofton, Maryland

Suburban Federal Savings Bank, Crofton, Maryland, was closed today by the Office of Thrift Supervision, and the Federal Deposit Insurance Corporation (FDIC) was named receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Bank of Essex, Tappahannock, Virginia, to assume all of the deposits of Suburban Federal.

The failed bank's seven offices will reopen on Saturday as branches of Bank of Essex. Depositors of Suburban Federal will automatically become depositors of Bank of Essex. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers of both banks should continue to use their existing branches until Bank of Essex can fully integrate the deposit records of Suburban Federal.

Over the weekend, depositors of Suburban Federal can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of September 30, 2008, Suburban Federal had total assets of approximately \$360 million and total deposits of \$302 million. In addition to assuming all of the failed bank's deposits, Bank of Essex agreed to purchase approximately \$348 million in assets at a discount of \$45 million. The FDIC will retain the remaining assets for later disposition.

The FDIC and Bank of Essex entered into a loss-share transaction. Bank of Essex will share in the losses on the asset pools covered under the loss-share agreement. The loss-sharing arrangement is expected to maximize returns on the assets covered by keeping them in the private sector. The agreement also is expected to minimize disruptions for loan customers as they will maintain a banking relationship.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-13-2009

Customers who have questions about today's transaction can call the FDIC toll free at 1-800-822-7182. The phone number will be operational this evening until 9 p.m. EST; on Saturday from 9 a.m. to 6 p.m. EST; and on Sunday from noon to 6 p.m. EST; and thereafter from 8 a.m. to 8 p.m., EST. Interested parties can also visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/suburban.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund will be \$126 million. Bank of Essex's acquisition of all deposits was the "least costly" resolution for the FDIC's Deposit Insurance Fund compared to alternatives. Suburban Federal is the fifth bank to fail in the nation this year. The last bank to be closed in Maryland was Second National Federal Savings Bank, Salisbury, on December 4, 1992.