



PRESS RELEASE

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

FOR IMMEDIATE RELEASE
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Bay Bank, FSB, Lutherville, Maryland, Assumes all of the Deposits of Bay National Bank, Baltimore, Maryland

Bay National Bank, Baltimore, Maryland, was closed today by the Office of the Comptroller of the Currency, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Bay Bank, FSB, Lutherville, Maryland, to assume all of the deposits of Bay National Bank.

The two branches of Bay National Bank will reopen on Monday as branches of Bay Bank, FSB. Depositors of Bay National Bank will automatically become depositors of Bay Bank, FSB. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage. Customers of Bay National Bank should continue to use their existing branch until they receive notice from Bay Bank, FSB that it has completed systems changes to allow other Bay Bank, FSB branches to process their accounts as well.

This evening and over the weekend, depositors of Bay National Bank 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 March 31, 2010, Bay National Bank had approximately \$282.2 million in total assets and \$276.1 million in total deposits. Bay Bank, FSB did not pay the FDIC a premium for the deposits of Bay National Bank. In addition to assuming all of the deposits of the failed bank, Bay Bank, FSB agreed to purchase essentially all of the assets of the failed bank.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-323-6111. The phone number will be operational this evening until 9:00 p.m.,



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-149-2010

Eastern Daylight Time (EDT); on Saturday from 9:00 a.m. to 6:00 p.m., EDT; on Sunday from noon to 6:00 p.m., EDT; and thereafter from 8:00 a.m. to 8:00 p.m., EDT.

Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/baynatlmd.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$17.4 million. Compared to other alternatives, Bay Bank, FSB's acquisition was the "least costly" resolution for the FDIC's DIF. Bay National Bank is the 87th FDIC-insured institution to fail in the nation this year, and the second in Maryland. The last FDIC-insured institution closed in the state was Waterfield Bank, Germantown, on March 5, 2010.
