



PRESS RELEASE

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

FOR IMMEDIATE RELEASE

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Bank of North Carolina, Thomasville, North Carolina, Assumes All of the Deposits of Beach First National Bank, Myrtle Beach, South Carolina

Beach First National Bank, Myrtle Beach, South Carolina, 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 Bank of North Carolina, Thomasville, North Carolina, to assume all of the deposits of Beach First National Bank.

The seven branches of Beach First National Bank will reopen on Monday as branches of Bank of North Carolina. Depositors of Beach First National Bank will automatically become depositors of Bank of North Carolina. 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 should continue to use their existing branch until they receive notice from Bank of North Carolina that it has completed systems changes to allow other Bank of North Carolina branches to process their accounts as well.

This evening and over the weekend, depositors of Beach First 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 December 31, 2009, Beach First National Bank had approximately \$585.1 million in total assets and \$516.0 million in total deposits. Bank of North Carolina did not pay the FDIC a premium for the deposits of Beach First National Bank. In addition to assuming all of the deposits of the failed bank, Bank of North Carolina agreed to purchase essentially all of the assets.



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-73-2010

The FDIC and Bank of North Carolina entered into a loss-share transaction on \$497.9 million of Beach First National Bank's assets. Bank of North Carolina will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-866-954-9536. The phone number will be operational this evening until 9:00 p.m., 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/beachfirst.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$130.3 million. Bank of North Carolina's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. Beach First National Bank is the 42nd FDIC-insured institution to fail in the nation this year, and the first in South Carolina. The last FDIC-insured institution closed in the state was Victory State Bank, Columbia, on March 26, 1999.
