



PRESS RELEASE

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

FOR IMMEDIATE RELEASE
March 19, 2010

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Community & Southern Bank, Carrollton, Georgia, Assumes All of the Deposits of Appalachian Community Bank, Ellijay, Georgia

[En Español](#)

Appalachian Community Bank, Ellijay, Georgia, was closed today by the Georgia Department of Banking and Finance, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Community & Southern Bank, Carrollton, Georgia, to assume all of the deposits of Appalachian Community Bank.

The ten branches of Appalachian Community Bank will reopen on Saturday as branches of Community & Southern Bank. This transaction also includes all of Appalachian Community Bank's branches that operated under the trade name of Gilmer County Bank.

Today's closure does not involve Appalachian Community Bank F.S.B., McCaysville, Georgia, or any of its branch locations. Appalachian Community Bank F.S.B., McCaysville will continue to operate as usual.

Depositors of Appalachian Community Bank will automatically become depositors of Community & Southern Bank. 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 Community & Southern Bank that it has completed systems changes to allow other Community & Southern Bank branches to process their accounts as well.

This evening and over the weekend, depositors of Appalachian Community Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on



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-59-2010

the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2009, Appalachian Community Bank had approximately \$1.01 billion in total assets and \$917.6 million in total deposits. Community & Southern Bank will pay the FDIC a premium of one percent to assume all of the deposits of Appalachian Community Bank. In addition to assuming all of the deposits of the failed bank, Community & Southern Bank agreed to purchase essentially all of the assets.

The FDIC and Community & Southern Bank entered into a loss-share transaction on \$798.6 million of Appalachian Community Bank's assets. Community & Southern Bank 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 1-800-894-1696. 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/appalachian.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$419.3 million. Community & Southern Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. Appalachian Community Bank is the 34th FDIC-insured institution to fail in the nation this year, and the fourth in Georgia. The last FDIC-insured institution closed in the state was Century Security Bank, Duluth, earlier today.
