



PRESS RELEASE

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

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Southern Bank and Trust Company, Mount Olive, North Carolina, Assumes All of the Deposits of Bank of the Commonwealth, Norfolk, Virginia

Bank of the Commonwealth, Norfolk, Virginia, was closed today by the Virginia State Corporation Commission. The Federal Deposit Insurance Corporation (FDIC) was appointed as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Southern Bank and Trust Company, Mount Olive, North Carolina, to assume all of the deposits of Bank of the Commonwealth.

The 21 branches of Bank of the Commonwealth will reopen during their current business hours beginning Saturday as branches of Southern Bank and Trust Company. Depositors of Bank of the Commonwealth will automatically become depositors of Southern Bank and Trust Company. 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 up to applicable limits. Customers of Bank of the Commonwealth should continue to use their existing branch until they receive notice from Southern Bank and Trust Company that it has completed systems changes to allow other Southern Bank and Trust Company branches to process their accounts as well.

This evening and over the weekend, depositors of Bank of the Commonwealth 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 June 30, 2011, Bank of the Commonwealth had approximately \$985.1 million in total assets and \$901.8 million in total deposits. In addition to assuming all of the deposits of the failed bank, Southern Bank and Trust Company agreed to purchase



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-153-2011**

approximately \$924.3 million of the failed bank's assets. The FDIC will retain the balance of the assets for later disposition.

The FDIC and Southern Bank and Trust Company entered into a loss-share transaction on \$798.2 million of Bank of the Commonwealth's assets. Southern Bank and Trust Company 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 with questions about today's transaction should call the FDIC toll-free at 1-800-423-6395. 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/boc-va.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$268.3 million. Compared to other alternatives, Southern Bank and Trust Company's acquisition was the least costly resolution for the FDIC's DIF. Bank of the Commonwealth is the 72nd FDIC-insured institution to fail in the nation this year, and the second in Virginia. The last FDIC-insured institution closed in the state was Virginia Business Bank, Richmond, on July 29, 2011.
