



PRESS RELEASE

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

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Harbor Community Bank, Indiantown, Florida, Assumes All of the Deposits of Putnam State Bank, Palatka, Florida

FOR IMMEDIATE RELEASE

Putnam State Bank, Palatka, Florida, was closed today by the Florida Office of Financial Regulation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Harbor Community Bank, Indiantown, Florida, to assume all of the deposits of Putnam State Bank.

The three branches of Putnam State Bank will reopen during their normal business hours beginning Saturday as branches of Harbor Community Bank. Depositors of Putnam State Bank will automatically become depositors of Harbor Community Bank. 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 Putnam State Bank should continue to use their existing branch until they receive notice from Harbor Community Bank that it has completed systems changes to allow other Harbor Community Bank branches to process their accounts as well.

This evening and over the weekend, depositors of Putnam State 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, 2012, Putnam State Bank had approximately \$169.5 million in total assets and \$160.0 million in total deposits. In addition to assuming all of the deposits of



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-69-2012

the failed bank, Harbor Community Bank agreed to purchase essentially all of the assets.

The FDIC and Harbor Community Bank entered into a loss-share transaction on \$112.3 million of Putnam State Bank's assets. Harbor Community 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 with questions about today's transaction should call the FDIC toll-free at 1-800-640-2631. 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; on Monday from 8 a.m. to 8 p.m., EDT; and thereafter from 9:00 a.m. to 5:00 p.m., EDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/putnam.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$37.4 million. Compared to other alternatives, Harbor Community Bank's acquisition was the least costly resolution for the FDIC's DIF. Putnam State Bank is the 29th FDIC-insured institution to fail in the nation this year, and the fourth in Florida. The last FDIC-insured institution closed in the state was Security Bank, National Association, North Lauderdale, on May 4, 2012.
