

Joint Release

Federal Deposit Insurance Corporation Office of the Comptroller of the Currency

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BANK OF HAMPTON ROADS, CHESAPEAKE, VIRGINIA, ASSUMES ALL DEPOSITS OF NEW ATLANTIC BANK, NATIONAL ASSOCIATION, NORFOLK, VIRGINIA

Bank of Hampton Roads, Chesapeake, Virginia, has assumed all deposits of New Atlantic Bank, National Association, Norfolk, Virginia, after New Atlantic was closed today by the Office of the Comptroller of the Currency (OCC) and turned over to the FDIC as receiver.

New Atlantic Bank, with total assets of \$15.1 million as of June 30, was closed because the bank's capital had been depleted by continuing operating losses, which were the result of high overhead and increased provisions to the bank's loan loss reserve. In light of the bank's critical capital deficiency, the OCC found that appointment of the FDIC as receiver was necessary to protect the interests of the bank's insured depositors.

The sole office of New Atlantic Bank will open on Friday, August 13, 1993, as a branch of Bank of Hampton Roads, and its depositors will automatically become depositors of the assuming bank. Bank of Hampton Roads will assume deposits of \$15.3 million in about 2,300 deposit accounts.

Bank of Hampton Roads will pay a premium of \$218,000 for the right to receive the deposits of New Atlantic Bank, and will purchase \$7.8 million of the bank's assets. To facilitate the transaction, the FDIC will advance about \$4.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$8.3 million.

The FDIC approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC.

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