



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF
THE WASHINGTON BANK, FAIRFAX COUNTY, VIRGINIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of The Washington Bank, Fairfax County, Virginia, by The George Mason Bank, Fairfax, Virginia.

The failed bank's two offices will reopen on Monday, September 21, 1992, as branches of The George Mason Bank, and its depositors automatically will become depositors of the assuming bank.

The Washington Bank, with total assets of \$26.6 million, was closed on Friday, September 18, 1992, by Sidney A. Bailey, Virginia Commissioner of Financial Institutions, and the FDIC was named receiver.

The George Mason Bank will assume about \$24.3 million in about 1,950 deposit accounts. It will pay a premium of \$362,000 for the right to receive the failed bank's deposits and will purchase \$6.1 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$17.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$21.2 million. At the time the bank closed, it had approximately \$2.2 million in 35 accounts that exceeded the federal insurance limit of \$100,000 and will not be assumed by The George Mason Bank.

The Board of Directors also voted to make a prompt advance payment to uninsured depositors equal to 64 percent of the uninsured claims. If actual collections on the assets exceed this initial payment, uninsured depositors ultimately will receive additional payments on their claim.

(more)

The Board of Directors 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. The FDIC notes that its claim on recoveries from the sale of the failed bank's assets will have priority over non-depositor creditors of the failed bank.

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