FDIC NEWS RELEASE

FEDERAL DEPOSIT INSURANCE CORPORATION

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FDIC APPROVES ASSUMPTION BY SIGNET OF DEPOSITS OF
TWO BANK SUBSIDIARIES OF JAMES MADISON LIMITED, WASHINGTON, D.C.

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Madison National Bank, Washington, D.C., and Madison National Bank of Virginia, McLean, Virginia, two bank subsidiaries of James Madison Limited, Washington, D.C.

Signet Bank, N.A., Washington, D.C., will assume James Madison's District of Columbia subsidiary (Madison National Bank) and Signet Bank - Virginia, Richmond, Virginia, will assume James Madison's Virginia operation (Madison National Bank of Virginia).

Madison National Bank, with total assets of $530.8 million, and Madison National Bank of Virginia, with total assets of $176.0 million, were closed on May 10, 1991, by the Office of the Comptroller of the Currency. The FDIC was named receiver.

The failed banks' offices will reopen for normal business hours beginning Saturday, May 11, 1991, as branches of the acquiring institutions, and their depositors automatically will become depositors of the assuming banks.

In the District of Columbia transaction, Signet Bank, N.A., will assume about $373.7 million in 46,000 deposit accounts and has agreed to pay the FDIC a purchase premium of $13.4 million. It also will purchase $112.4 million of Madison National Bank's assets and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about $367.4 million to Signet Bank, N.A., and will retain assets of the failed bank with a book value of about $418.3 million.

The transaction with Signet Bank, N.A., includes the former United National Bank, Washington, D.C., (United), which was acquired by James Madison Ltd. in October 1986 and merged into Madison National Bank, Washington, D.C. in March 1991. Prior to 1986, United was a minority-owned bank. The FDIC received an expression of interest in United from a minority group and separately, but unsuccessfully, solicited bids for the former United offices from local minority interests.

In order to assure the continuation of banking services in the areas involved, the FDIC has requested that Signet and the interested minority group discuss continuation of banking services from the former United offices. Separately, Signet has indicated that it fully intends to maintain banking services in those areas formerly serviced by the Madison National Bank, Washington, D. C., including those areas served by United before its merger with Madison.

In the Virginia transaction, Signet Bank - Virginia will assume about \$154.5 million in 18,100 deposit accounts and has agreed to pay the FDIC a purchase premium of \$4.6 million. It also will purchase \$56.0 million of Madison National Bank of Virginia's assets and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$113.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$126.0 million.

The Board of Directors approved the deposit assumptions under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. These transactions result in a reduced cost to the FDIC because of the premiums paid by the acquiring institutions. The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming banks.

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