



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC TRANSFERS INSURED DEPOSITS OF FIRST SECURITY BANK, ROANOKE, VIRGINIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured liabilities of the First Security Bank, Roanoke, Virginia, to First Century Bank, Roanoke, Virginia, a newly chartered bank subsidiary of the Pocahontas Bankshares Corporation, Bluefield, West Virginia. The failed bank's sole office will reopen on Tuesday, May 28, 1991, as First Century Bank. The drive-up facility will reopen Saturday, May 25, 1991.

First Security Bank, with total assets of about \$16.2 million, was closed on Friday, May 24, 1991, by Sidney A. Bailey, Commissioner of Financial Institutions, and the FDIC was named receiver.

The Board of Directors decided to arrange an insured deposit transfer because the FDIC was unable to quantify the value of the bank's assets.

At the time the bank closed, its deposits totaled about \$14.9 million in 1,600 deposit accounts, including approximately \$80,000 in 38 accounts that exceeded the federal insurance limit of \$100,000.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Tuesday, May 28, 1991. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of non-depositor creditors and shareholders of the closed bank.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. The acquiring bank will be contacting customers in the near future to discuss continuing their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$210,000 for the right to receive the transferred deposits. It will also purchase \$2.5 million of the failed bank's assets. The FDIC will retain assets of the failed bank with a book value of \$13.7 million.

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