

NEWS RELEASE

JOSEPH A. SMITH, JR.
COMMISSIONER OF BANKS

RELEASE:	IMMEDIATE	DATE:	October 14, 2011
CONTACT:	HA NGUYEN	DISTRIBUTION:	STATEWIDE
PHONE:	919/733-0576		

Bank of North Carolina Acquires Deposits of Blue Ridge Savings Bank
Depositors can expect no disruptions to customer services

RALEIGH—Bank of North Carolina (BNC), Thomasville, North Carolina, acquired the deposits of Blue Ridge Savings Bank, Inc., Asheville, North Carolina, after it was closed today by the N.C. Office of the Commissioner of Banks (NCCOB).

NCCOB named the Federal Deposit Insurance Corporation (FDIC) as receiver of Blue Ridge Savings Bank, Inc. (Blue Ridge). The FDIC entered into a purchase and assumption agreement with BNC to assume all of Blue Ridge's deposits.

"It is unfortunate that another state-chartered bank has closed," said Commissioner of Banks Joseph A. Smith, Jr. "However, the acquisition of this bank by another state-chartered bank is a good outcome and enables customers to continue receiving services without interruption."

Blue Ridge's deposits will continue to be insured up to \$250,000 by the FDIC, so there is no need for customers to change their existing banking relationship to retain their deposit insurance coverage. Blue Ridge's branch in Greer, South Carolina, and offices in Asheville, Boone, Brevard, Fletcher, Hendersonville, Maggie Valley, Mooresville, and Stanley, North Carolina, will reopen Monday as branches of BNC with no disruption to customer services. Depositors of Blue Ridge will automatically become depositors of BNC and can continue to write checks and use current debit cards. Checks drawn on the bank will continue to be processed and loan customers should continue making payments as usual until notified by BNC.

As of June 30, 2011, Blue Ridge had approximately \$161.0 million in total assets and \$158.7 million in total deposits. In addition to assuming all of the deposits of Blue Ridge, BNC agreed to purchase essentially all of the assets.

The FDIC and BNC entered into a loss-share transaction on \$143.2 million of Blue Ridge's assets. BNC 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>.

Since the FDIC was formed more than 70 years ago, no depositor has lost a penny of their insured deposits. Blue Ridge is the fourth North Carolina state-chartered bank to close since First Hanover Bank closed in 1991. The Bank of Asheville closed earlier this year, Cooperative Bank and Cape Fear Bank, both of Wilmington, closed in 2009, First Hanover Bank closed in 1991, and Bank of Black Mountain closed in 1943.

Customers with questions regarding this transaction can contact the FDIC toll-free at 1-800-591-2912 or visit the FDIC website at <http://www.fdic.gov/bank/individual/failed/blueridge.html>.

Customers should **not** provide personal, confidential information, such as account numbers and social security numbers by phone or email as the bank, NCCOB, and the FDIC will not be requesting this information. Such solicitations should be considered fraudulent.

NCCOB regulates state-chartered banks, savings and loans, trust companies, mortgage lenders/brokers, mortgage loan originators, as well as consumer finance companies, check-cashers, and other financial services.

#