

NEWS RELEASE

JOSEPH A. SMITH, JR.
COMMISSIONER OF BANKS

RELEASE:	IMMEDIATE	DATE:	June 19 , 2009
CONTACT:	HA NGUYEN	DISTRIBUTION:	STATEWIDE
PHONE:	919/733-3016		

First Bank Acquires Deposits of Cooperative Bank in Wilmington

Branches will reopen on Monday as branches of First Bank

RALEIGH—First Bank, Troy, North Carolina, acquired the deposits of Cooperative Bank (Cooperative) in Wilmington after Cooperative 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 Cooperative. The FDIC entered into a purchase and assumption agreement with First Bank to assume all of Cooperative's deposits.

"It is unfortunate that one of our state-chartered banks has closed," said Commissioner of Banks Joseph A. Smith, Jr. "However, we expect there to be a smooth transition when First Bank reopens the branches on Monday."

"I continue to stress that our state-chartered banks in general are in good financial condition and are operating in a safe and sound manner, despite the current economic crisis," Commissioner Smith said. "The fact that one of our state-chartered banks has acquired the deposits of Cooperative is evidence of that."

Since the FDIC was created over 70 years ago, no bank depositor has lost a dime of insured deposits. Depositor funds at Cooperative are insured by the FDIC up to \$250,000 and will be transferred to First Bank. Those funds are available immediately to depositors of Cooperative and will continue to be insured by the FDIC. There should be no disruption of services, so depositors can continue to access their funds, get checks processed, and use current ATM and debit cards.

All of Cooperative branches will reopen on Monday as branches of First Bank. These branches are located in Beaufort (1), Belhaven (1), Morehead City (2), Wilmington (5), Elizabethtown (1), Jacksonville (2), Jefferson (1), Kill Devil Hills (1), Leland (1), Little River (1), Myrtle Beach (1), Washington (2), Southport (1), Tabor City (1), Wallace (1), and Whiteville (1).

As of May 31, 2009, Cooperative had total assets of \$970 million and total deposits of approximately \$774 million. In addition to assuming all of the deposits of the bank, First Bank agreed to purchase approximately \$942 million in assets. The FDIC will retain the

remaining assets for later disposition.

The FDIC and First Bank entered into a loss-share transaction on approximately \$852 million of Cooperative's assets. First Bank will share with the FDIC in the losses on the asset pools covered under the loss-share agreement. The loss-sharing arrangement is projected to maximize returns on the assets covered by keeping them in the private sector. The agreement also is expected to minimize disruptions for loan customers as they will maintain a banking relationship.

First Bank will purchase all the deposits, except about \$57 million in brokered deposits, held by Cooperative Bank. The FDIC will pay the brokers directly for the amount of their funds. Customers who placed money with brokers should contact them directly for more information on the status of their deposits.

Customers with questions regarding this transaction can contact the FDIC toll-free at 1-800-930-5169 or visit the FDIC website at <http://www.fdic.gov/bank/individual/failed/cooperative.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.

Cooperative is the 2nd North Carolina state-chartered bank to close since 1991. Cape Fear Bank, acquired by First Federal Savings and Loan Association of Charleston, S.C., closed in April this year. First Hanover Bank closed in 1991 and Bank of Black Mountain closed in 1943.

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

#