

Parkway Bank Closed; Reopened as CertusBank

Written by Steve Frank

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Parkway Bank, Lenoir, North Carolina, was closed Friday by the North Carolina Office of the Commissioner of Banks, which appointed the Federal Deposit Insurance Corporation as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with CertusBank, N.A., of Easley, South Carolina, to assume all of the deposits of Parkway Bank. The three former branches of Parkway Bank have reopened as branches of CertusBank for their normal business hours, and depositors of Parkway Bank will automatically become depositors of CertusBank. The release said deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of Parkway Bank should continue to use their current branch until they receive notice from CertusBank that systems conversions have been completed to allow full-service banking at all branches of CertusBank. Depositors of Parkway Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual. As of December 31, 2012, Parkway Bank had approximately \$108.6 million in total assets and \$103.7 million in total deposits. In addition to assuming all of the deposits of the failed bank, CertusBank, N.A. agreed to purchase approximately \$99.2 million of the failed bank's assets. The FDIC will retain the remaining assets for later disposition.

Customers with questions about today's transaction should call the FDIC toll-free at 1-800-405-1439. The phone number will be operational this evening until 9:00 p.m., Eastern Daylight Time (EDT); on Saturday from 9:00 a.m. to 6:00 p.m., EDT; on Sunday from noon to 6:00 p.m., EDT; on Monday from 8:00 a.m. to 8:00 p.m., EDT; and thereafter from 9:00 a.m. to 5:00 p.m., EDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/parkway.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$18.1 million. Compared to other alternatives, CertusBank, N.A.'s acquisition was the least costly resolution for the FDIC's DIF. Parkway Bank is the ninth FDIC-insured institution to fail in the nation this year, and the first in North Carolina. The last FDIC-insured institution closed in the state was Waccamaw Bank, Whiteville, on June 8, 2012.