



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 18, 1997

AT
(202) 616-2771
TDD (202) 514-1888

FIRST VIRGINIA AND PREMIER AGREE TO SELL OFF THREE VIRGINIA BANK BRANCHES WORTH \$44.3 MILLION TO GAIN JUSTICE DEPARTMENT APPROVAL

Divestitures will Preserve Competition for Loans and other Banking Services in Southwestern Virginia

WASHINGTON, D.C. -- The Department of Justice reached an agreement today with First Virginia Banks Inc. and Premier Bankshares Corp. that will allow their proposed merger to go forward so long as they sell three branch offices in southwestern Virginia. By selling the offices--with total deposits of about \$44.3 million--the companies will resolve antitrust concerns resulting from a joint investigation by the Department's Antitrust Division and the Office of the Virginia Attorney General.

The banks agreed to divest two Premier branch offices and one First Virginia branch office in order to resolve the Antitrust Division's concerns that the merger would lessen competition for banking services in certain areas of southwestern Virginia. The First Virginia branch to be sold is located in the town of Clintwood in Dickenson County. One of the Premier branches to be divested is located in Max Meadows in Wythe County and the other is located in Pound in Wise County.

"The First Virginia and Premier merger presented a significant risk to consumers in southwestern Virginia who rely on competition to ensure they can get loans at the lowest

possible interest rates and better services," said Joel I. Klein, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "These divestitures will preserve competition for loans and other banking services provided to individuals and small businesses."

Klein added that the agreement also exemplifies the close cooperation between federal and state antitrust enforcement agencies which this administration has emphasized.

The Department said it will advise the Federal Reserve Board that, subject to divestiture of the branch offices and associated loans and deposits, the Division will not challenge the merger.

The banks also agreed that they would not take steps to preclude other financial institutions from leasing or purchasing any bank branches that they may close due to consolidation. Subject to regulatory approvals, the three branches and associated loans and deposits that First Virginia and Premier will divest will be sold to a competitively suitable buyer.

First Virginia is based in Falls Church, Virginia, and has 358 offices with about \$7 billion in deposits and \$8.2 billion in total assets.

Premier is based in Bluefield, Virginia, and has 36 offices with about \$650 million in total deposits and more than \$744 million in total assets.

The proposed merger of First Virginia and Premier is subject to the approval of the Board of Governors of the Federal Reserve System.

###