



NEWS RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF ALL AMERICAN NATIONAL BANK
VIRGINIA GARDENS (PO BOX MIAMI), FLORIDA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of the All American National Bank of Virginia Gardens (PO Box Miami) Florida, have been assumed by Capital Bank, North Bay Village, Florida. The failed bank's sole office will reopen on Monday, March 5, 1984, as a branch of Capital Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

All American National Bank was closed on March 2, 1984, by Senior Deputy Comptroller for Bank Supervision H. Joe Selby of the Office of the Comptroller of the Currency and the FDIC was named receiver. Mr. Selby said: "Over the past year the bank experienced substantial deterioration in the quality of its loan portfolio. All American Bank was unable to remedy its problems and losses finally exhausted the bank's capital funds, resulting in its insolvency."

The deposit assumption was made possible with assistance from the FDIC and avoids the necessity for a payoff of the 1,853 accounts in the failed bank. It also prevents possible financial loss to the owners of deposits that exceed the statutory insurance limit of \$100,000.

In addition to assuming about \$11.4 million in deposits and other liabilities, including \$2 million (over 17 percent) in deposits acquired from deposit brokers, Capital Bank has agreed to pay the FDIC a purchase premium of \$851,000. The assuming bank will purchase the failed bank's installment

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loans and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to approximately \$7.8 million to the assuming bank and will retain assets of the failed bank with a book value of approximately \$9.5 million.

The FDIC approved the transaction under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the Corporation. The Board of Directors made such a finding in this case because of the premium paid by Capital Bank. The FDIC expects to recover a substantial 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 the shareholders of the closed bank.

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