



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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## FDIC ANNOUNCES DEPOSIT ASSUMPTION OF GIROD TRUST COMPANY, SAN JUAN, PUERTO RICO

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of the Girod Trust Company, San Juan, Puerto Rico, have been assumed by Citibank, N.A., New York, New York. The failed bank's three offices will reopen on Monday, August 20, 1984, as additional branches of Citibank, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Girod Trust Company was closed on August 16, 1984, by Puerto Rico's Secretary of the Treasury Carmen Ana Culpeper, and the FDIC was named receiver. Ms. Culpeper said: "Girod Trust Company has become insolvent and unable to continue the normal course of business."

In addition to assuming about \$258 million in 6,200 deposit accounts plus other liabilities, Citibank has agreed to pay the FDIC a purchase premium of \$16,160,000. The assuming bank will purchase the failed bank's installment loans and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to \$159 million and will retain assets of the failed bank with a book value of approximately \$198 million.

The FDIC approved the deposit assumption 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 Citibank.

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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 shareholders of the closed bank.

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