



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF BANK OF SAN MARINO, SAN MARINO, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of the Bank of San Marino, San Marino, California, have been assumed by Trans American National Bank, Monterey Park, California. The single office of the closed bank will reopen Monday, April 11, 1983, as a branch of Trans American and all depositors of the closed bank automatically will become depositors of the assuming bank. The Superior Court for the County of Los Angeles has approved the transaction.

Bank of San Marino was closed on April 8, 1983, by California Acting Superintendent of Banks Harold D. Doyle and the FDIC was named receiver. Acting Superintendent Doyle said: "Substantial loan and operating losses exhausted the bank's capital and made it necessary to close the bank."

The deposit assumption was made possible with assistance from the FDIC and avoids the necessity for a payoff of the estimated 2,200 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 \$12.3 million in deposits and other liabilities, Trans American has agreed to pay the FDIC a purchase premium

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of \$288,000. The assuming bank will purchase the failed bank's securities, installment loans and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to \$7.3 million to the assuming bank. In addition, the FDIC will retain assets of the failed bank with a book value of \$7.9 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 Trans American. 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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