PRESS RELEASE
Federal Deposit Insurance Corporation

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FDIC APPROVES THE ASSUMPTION OF ALL THE DEPOSITS OF MONUMENT NATIONAL BANK, RIDGECREST, CALIFORNIA

Monument National Bank, Ridgecrest, California, was closed today by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) was appointed receiver. The FDIC entered into an agreement with Israel Discount Bank of New York to assume all the deposits of the failed bank.

The two former offices of Monument National Bank will reopen on Monday, June 5, 2000, as branches of Israel Discount Bank of New York. The failed bank received a national bank charter in March of 1984.

The OCC used its receivership authority under the FDIC Improvement Act of 1991, after finding that Monument National Bank was "critically undercapitalized," that is, the bank's tangible equity capital was less than two percent of its total assets. The bank never fully recovered from the poor credit administration practices and high volume of classified assets experienced in 1998. As a result, the bank incurred losses that depleted substantially all of its capital. In light of these findings, the OCC determined that the closure of the bank and appointment of the FDIC as receiver was necessary to protect the interests of the bank's insured depositors.

As part of the agreement entered into with the FDIC, Israel Discount Bank of New York will pay a premium of $400,000 for the right to purchase $3.7 million of the failed bank's assets and to assume all of the failed bank's deposits. Monument National Bank had total assets of $10 million and total deposits of $9.8 million. The FDIC as receiver will retain the remaining assets for later disposition. The FDIC estimates the total cost of the transaction to be less than $100,000. Monument National Bank is the second BIF-insured bank failure this year and the third failure of an institution insured by the FDIC in 2000.