



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE
November 21, 2008

Media Contact:
Andrew Gray (202) 898-7192
Cell: (202) 494-1049
David Barr: (202) 898-6992
Cell: (703) 622-4790

U.S. Bank Acquires All the Deposits of Two Southern California Institutions Downey Savings & Loan Association, Newport Beach and PFF Bank & Trust, Pomona

U.S. Bank, National Association, Minneapolis, MN, acquired the banking operations, including all the deposits, of Downey Savings and Loan Association, F.A., Newport Beach, CA, and PFF Bank & Trust, Pomona, CA, in a transaction facilitated by the Federal Deposit Insurance Corporation.

The combined 213 branches of the two organizations will reopen as branches of U.S. Bank under their normal business hours, including those with Saturday hours. Depositors will automatically become depositors of U.S. Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage.

Customers of both banks should continue to use their existing branches until U.S. Bank can fully integrate the deposit records of the organizations. Over the weekend, depositors can access their money by writing checks or using ATM or debit cards.

As of September 30, 2008, Downey Savings had total assets of \$12.8 billion and total deposits of \$9.7 billion. PFF Bank had total assets of \$3.7 billion and total deposits of \$2.4 billion. Besides assuming all the deposits from the two California banks, U.S. Bank will purchase virtually all their assets. The FDIC will retain any remaining assets for later disposition.

The FDIC and U.S. Bank entered into a loss share transaction. U.S. Bank will assume the first \$1.6 billion of losses on the asset pools covered under the loss share agreement, equal to the net asset position at close. The FDIC will then share in any further losses. Under the agreement, U.S. Bank will implement a loan modification program similar to the one the FDIC announced in August stemming from the failure of IndyMac Bank, F.S.B., Pasadena, CA.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-124-2008**

The loss-sharing arrangement is expected to maximize returns on the assets covered by keeping them in the private sector. The agreement also is expected to minimize disruptions for loan customers as they will maintain a banking relationship.

Customers who have questions about today's transactions can call the FDIC toll free. Customers of Downey Savings should call 1-800-930-5169, and for PFF Bank 1-800-930-6827. The phone numbers will be operational this evening until 9:00 p.m. pacific; on Saturday from 8:00 a.m. to 6:00 p.m. pacific; and on Sunday noon until 6:00 p.m. pacific and thereafter from 8:00a.m. to 8:00 p.m. pacific. Interested parties can also visit the FDIC's Web site. For Downey Savings they can visit <http://www.fdic.gov/bank/individual/failed/downey.html> and for PFF Bank <http://www.fdic.gov/bank/individual/failed/pff.html>.

U.S. Bank currently has 353 offices in California. Downey Savings and PFF Bank are not affiliated with each other. Downey Savings has 170 branches in California and five in Arizona, and PFF Bank has 38 branches in California.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) for Downey Savings will be \$1.4 billion and \$700 million for PFF Bank. U.S. Bank's acquisition of all the deposits of the two institutions was the "least costly" option for the FDIC's DIF compared to alternatives.

These were the twenty first and twenty second banks to fail in the nation this year, and the fourth and fifth banks to close in California. The last bank to be closed in the state was Security Pacific Bank, Los Angeles, on November 7, 2008.