PRESS RELEASE
Federal Deposit Insurance Corporation

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METROPOLITAN BANK, OAKLAND, CALIFORNIA, ASSUMES ALL DEPOSITS OF BARBARY COAST NATIONAL BANK, SAN FRANCISCO, CALIFORNIA

FOR IMMEDIATE RELEASE

Metropolitan Bank, Oakland, California, has assumed all deposits of Barbary Coast National Bank, San Francisco, California, after Barbary Coast was closed today by the Office of the Comptroller of the Currency (OCC) and the FDIC was named receiver. The bank's board of directors, by resolution, consented to the appointment. The bank's board acted following unsuccessful efforts to find a merger partner of otherwise ensure the bank's long-term viability.

Barbary Coast, with assets of about $12.5 million, became a matter of concern in 1991 when the OCC identified significant deficiencies in loan portfolio management, including liberal and aggressive loan underwriting standards and weak administration practices by prior management. The bank, which relied heavily on volatile deposits, also suffered a liquidity crisis which necessitated a halt in mortgage operations. Without this profit-making business, the bank could not offset its high overhead, costly funding sources and lack of a distinctive market niche in downtown San Francisco. In March 1992, the board of directors entered into a formal agreement with the OCC to address the bank's problems. However, loan and operating losses persisted and caused the bank's condition to further deteriorate. Attempts to liquidate and merge the institution were also unsuccessful. Although the bank was adequately capitalized, the board of directors decided to seek voluntary receivership to prevent continued future losses.

The failed bank's sole office will not reopen, but customers can get access to their deposits at Metropolitan's branch at 1351 Powell St., San Francisco, beginning Friday, May 20, 19994. The failed bank's depositors automatically will become depositors of the assuming bank.

Metropolitan will assume about $10.0 million in about 480 deposit accounts. The assuming bank will pay a premium of $1,000 for the right to receive the failed bank's deposits and will purchase $7.3 million of the failed bank's assets. The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. The FDIC notes that its claim on recoveries from the sale of the failed bank's assets will have priority over non-depositor creditors of the failed bank.