



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF
COLUMBIA NATIONAL BANK, SANTA MONICA, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Columbia National Bank, Santa Monica, California, by Western Bank, Los Angeles, California.

The failed bank's two offices will not reopen, but customers can get access to their accounts at the Western Bank offices in Santa Monica and Beverly Hills beginning Monday, January 25, 1993. The failed bank's depositors automatically will become depositors of the assuming bank.

Columbia National, with total assets of \$47.8 million, was closed on Friday, January 22, 1993, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Western Bank will assume about \$46.0 million in about 1,500 deposit accounts. At the time the bank closed, about \$1.7 million in 65 accounts exceeded the federal deposit insurance limit of \$100,000 and will not be assumed by Western Bank.

The Board of Directors also voted to make a prompt advance payment to unsecured creditors, including uninsured depositors, which will equal 61 percent of the uninsured claims. Uninsured depositors can call Janet Burak, FDIC, at the failed bank's Santa Monica office on (310) 829-0421 to arrange the receipt of their advance payment checks.

The assuming bank will pay a premium of \$1.00 for the right to receive the failed bank's deposits and will purchase \$6.2 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$39.8

(more)

million to the assuming bank and will retain assets of the failed bank with a book value of about \$41.6 million.

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. Non-depositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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