



# NEWS RELEASE

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**FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF  
PREMIER BANK, NORTHRIDGE, CALIFORNIA**

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Premier Bank, Northridge, California, by Trans-World Bank, Sherman Oaks, California.

The failed bank's three offices will reopen on Friday, April 9, 1993, as branches of Trans-World, and its depositors automatically will become depositors of the assuming bank.

Premier Bank, with total assets of \$74.3 million, was closed on Thursday, April 8, 1993, by James E. Gilleran, California Banking Superintendent, and the FDIC was named receiver.

Trans-World will assume about \$62.8 million in about 4,600 deposit accounts. At the time the bank closed, about \$6.9 million in 71 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by Trans-World Bank.

The Board of Directors also voted to make a prompt advance payment to uninsured depositors equal to 57 percent of the uninsured claims. Arrangements for picking up the advance payment checks can be made at any of the failed bank's offices beginning Friday, April 9, 1993.

The assuming bank will pay a premium of \$701,000 for the right to receive the failed bank's deposits and will purchase \$12.3 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$49.8 million to the assuming bank and will retain assets of the failed

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bank with a book value of about \$62.0 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. The FDIC notes that its claim from the sale of the failed bank's assets will have priority over non-depositor creditors of the failed bank.

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