



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF
PALOS VERDES NATIONAL BANK, ROLLING HILLS ESTATES, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Palos Verdes National Bank, Rolling Hills Estates, California, by Peninsula Bank, N.A., Palos Verdes, California, a newly chartered institution.

The failed bank's two offices will reopen on Friday, May 21, 1993, as branches of Peninsula Bank, and its depositors automatically will become depositors of the assuming bank.

Palos Verdes National, with total assets of \$49.3 million, was closed on Thursday, May 20, 1993, by the Office of the Comptroller of the Currency and the FDIC was named receiver.

Peninsula Bank will assume about \$43.8 million in about 2,800 deposit accounts. At the time the bank closed, about \$1.6 million in 71 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by Peninsula Bank.

The Board of Directors also voted to make a prompt advance payment to unsecured creditors, including uninsured depositors, which will equal 56 percent of the uninsured claims. Uninsured depositors should contact an FDIC claims agent at the failed bank's main office to make arrangements for payment.

The assuming bank will purchase \$16.3 million of the failed bank's assets at a discount of \$1.2 million. To facilitate the transaction, the FDIC will advance about \$28.7 million to the assuming bank and will retain assets

(more)

of the failed bank with a book value of about \$33.0 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. Uninsured depositors and 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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