



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF MARITIME BANK OF CALIFORNIA, LOS ANGELES, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Maritime Bank, Los Angeles, California, by two acquirers: Western Bank, Los Angeles, California, and Bay Cities National Bank, Redondo Beach, California.

The failed bank's two offices will not reopen. Customers of Maritime's Century City office can get access to their accounts at Western Bank's office at 1888 Century Park East, Los Angeles, and customers of Maritime's Wilmington Office can get access to their accounts at Bay Cities' office at 28902 S. Western Ave., San Pedro. The failed bank's depositors automatically will become depositors of the assuming banks.

Maritime, with total assets of \$32.4 million, was closed on Friday, August 27, 1993, by James E. Gilleran, California Bank Commissioner, and the FDIC was named receiver.

Western Bank and Bay Cities National will assume about \$30.5 million in about 1,200 deposit accounts. At the time the bank closed, about \$14,000 in 11 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by Western Bank or by Bay Cities National.

The Board of Directors also voted to make a prompt advance payment to uninsured depositors which will equal 58 percent of uninsured claims. Advance payment checks will be mailed to uninsured depositors beginning Saturday, August 28.

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The assuming banks will pay a bid amount of \$32,000 for the right to receive the failed bank's deposits. Western Bank will purchase \$9.7 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$14.0 million to the assuming banks and will retain assets of the failed bank with a book value of about \$22.8 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 on recoveries from the sale of the bank's assets will have priority over non-depositor creditors of the failed bank.

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