



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS, PAYOUT OF MONEY DESK DEPOSITS OF BANK OF SAN DIEGO, SAN DIEGO, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Bank of San Diego, San Diego, California, by Grossmont Bank, La Mesa, California. The failed bank's money-desk deposits, which totaled about \$141 million in 1,388 accounts, will be paid out, up to the \$100,000 federal insurance limit. At the same time, Grossmont and Harbor Bank, Long Beach, California, entered into a separate purchase and assumption agreement involving Grossmont's sale of selected Bank of San Diego branches and assets to Harbor Bank.

The failed bank's offices will reopen for normal business hours on Monday, November 1, 1993, as follows:

- Branches in San Diego, El Cajon, Santee and Ramona will reopen as branches of Grossmont Bank, except for the 1050 G St. branch, San Diego, and the 7676 Hazard Center Drive branch in San Diego, which will remain closed. The La Costa branch in Carlsbad also will not reopen. Customers at these three branches can get access to their accounts at any former Bank of San Diego office assumed by Grossmont.
- The failed bank's branch at 5354 East Second Street, Long Beach, will not reopen, but customers can get access to their accounts at Harbor Bank's office on 6265 East Second Street. In addition, the failed bank's branch on 3500 South Bristol Avenue, Santa Ana, will not reopen, but customers can go to the Harbor Bank office at 9 Executive Center, Irvine.

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- Customers of the failed bank's money desk will have their deposits, up to the federal \$100,000 insurance limit, mailed to them beginning Monday, November 1, 1993.

Insured depositors of the failed bank who were not money desk customers automatically will become depositors of the assuming bank.

Bank of San Diego, with total assets of \$316.8 million, was closed on Friday, October 29, 1993, by James E. Gilleran, California Superintendent of Banks, and the FDIC was named receiver.

Grossmont Bank will assume about \$115.3 million in about 13,300 deposit accounts. Harbor Bank will assume about \$31.3 million in about 3,800 deposit accounts. At the time Bank of San Diego closed, about \$15.4 million in 663 accounts exceeded the federal deposit insurance limit of \$100,000. These funds will not be assumed by Grossmont Bank or Harbor Bank.

The Board of Directors voted to make a prompt advance payment to uninsured depositors equal to 50 percent of their uninsured claims. Uninsured depositors should call an FDIC claims agent at (619) 237-5300 beginning on Monday, November 1, 1993, to arrange payment.

Grossmont Bank will purchase \$52.8 million of the failed bank's assets at a discount of \$133,000. As part of Grossmont's arrangement with Harbor Bank, Harbor Bank will purchase \$12.2 million in assets from Grossmont. To facilitate the transaction, the FDIC will advance about \$91.8 million to Grossmont Bank and will retain assets of the failed bank with a book value of about \$264.0 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 on recoveries from the sale of the failed bank's assets will have priority over non-depositor creditors of the failed bank.