



# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-26-92

(2-21-91)

## FDIC APPROVES ASSUMPTION OF DEPOSITS OF DOLLAR DRY DOCK BANK, WHITE PLAINS, NEW YORK

The FDIC Board of Directors has approved the assumption of deposits and certain other liabilities of Dollar Dry Dock Bank, White Plains, New York, by Emigrant Savings Bank, New York, New York.

Dollar Dry Dock, a savings bank with deposits of approximately \$3.7 billion and assets with a book value of about \$4 billion, was closed today by Derrick D. Cephas, New York State Superintendent of Banks. The FDIC was named receiver.

Twenty of Dollar Dry Dock's 21 branches will reopen Monday as branches of Emigrant. The remaining branch has been sold to Apple Savings Bank, New York, New York. Depositors at that one branch on Kissena Boulevard in Queens automatically will become depositors at Apple Savings. That branch also will reopen Monday.

Dollar Dry Dock's depositors continue to have access to their funds by writing checks or using automated teller machines in the same manner as before the closing.

Emigrant has agreed to purchase \$3.6 billion of Dollar Dry Dock's loans and other assets. Emigrant also has agreed to retain the failed bank's performing assets, thus continuing to keep those loans under the management of a private-sector, full-service institution. Emigrant is not purchasing subsidiaries and real estate obtained from foreclosed loans. Emigrant will have three years to return to the FDIC classified assets (those designated by government examiners as having some degree of potential loss) up to a maximum

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of \$985 million. However, for the first two years, Emigrant cannot return to the FDIC any classified loan that still is performing in accordance with its terms.

To facilitate the transaction, the FDIC has agreed to purchase 339,000 shares of Emigrant preferred stock for \$33.9 million.

In failed bank cases, the FDIC is required by law to select the resolution option that is the least costly to the deposit insurance fund. Based on the \$36.4 million premium Emigrant and Apple Savings have agreed to pay (about one percent of deposits) and the FDIC's projected recoveries on Dollar Dry Dock assets to be liquidated, the ultimate cost to the Bank Insurance Fund of this resolution is estimated to be approximately \$574 million.

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