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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF
AMERICAN INTERSTATE BANK, NEWPORT BEACH, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of American Interstate Bank, Newport Beach, California, by Marine National Bank, Irvine, California.

The failed bank's two offices will reopen on Monday, June 15, 1992, as branches of Marine National, and its depositors automatically will become depositors of the assuming bank.

American Interstate Bank, with total assets of $43.8 million, was closed on Friday, June 12, 1992, by James E. Gilleran, California Superintendent of Banks, and the FDIC was named receiver.

Marine National will assume about $40.1 million in about 2,800 deposit accounts. At the time the bank closed, it had approximately $1.4 million in 34 accounts that exceeded the federal insurance limit of $100,000 and will not be assumed by Marine National Bank.

The Board of Directors voted to make a prompt advance payment to uninsured depositors equal to 75 percent of the uninsured claims. If actual collections on the assets of the failed bank exceed this initial payment, uninsured depositors ultimately will receive additional payments on their claim.

The assuming bank will pay a premium of $101,000 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

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about $27.7 million to the assuming bank and will retain assets of the failed bank with a book value of about $31.4 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.

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