



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF BANK OF THE WEST, AUSTIN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Bank of the West, Austin, Texas, by The Bank of the West, Austin, Texas, a newly-chartered state nonmember bank.

The failed bank's sole office will reopen on Friday, March 10, 1989, as The Bank of the West and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of the West, with total assets of about \$48.1 million, was closed on Thursday, March 9, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

The Bank of the West will assume about \$46.8 million in 4,300 deposit accounts and will purchase \$42.4 million of the failed bank's assets at a discount of \$15,035,000. The FDIC will retain assets of the failed bank with a book value of \$5.7 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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by The Bank of the West, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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