



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF BANK OF LOS GATOS, NATIONAL ASSOCIATION, LOS GATOS, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Bank of Los Gatos, National Association, Los Gatos, California, by Bank of the West, San Francisco, California.

The failed bank's sole office will reopen on Friday, July 24, 1987, as a branch of Bank of the West and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Los Gatos, with total assets of \$11.4 million, was closed on Thursday, July 23, 1987, by Dean S. Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Bank of the West will assume about \$11.3 million in 11,600 deposit accounts and has agreed to pay the FDIC a purchase premium of \$275,000. It also will purchase certain of the failed bank's loans and other assets for \$5.4 million. To facilitate the transaction, the FDIC will advance about \$5.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.0 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 will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of shareholders of the closed bank.

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