



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST NATIONAL BANK, WILLOWS, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of First National Bank, Willows, California, by First Interstate Central Bank, Willows, California, a newly-chartered subsidiary of First Interstate Bancorp, Los Angeles, California.

The failed bank's offices will reopen on Friday, November 21, 1986, as First Interstate Central Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First National Bank, with total assets of \$65.0 million, was closed on Thursday, November 20, 1986, by Dean S. Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

First Interstate Central Bank will assume about \$61.3 million in 13,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$225,000. It also will purchase certain of the failed bank's loans and other assets for \$54.7 million. To facilitate the transaction, the FDIC will advance \$6.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$10.3 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 Board made such a finding in this case because of the premium paid by First Interstate Central Bank.

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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