



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-71-93 (6-18-93)

Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF ALL DEPOSITS OF
AMERICAN BANK AND TRUST COMPANY, SAN JOSE, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of all deposits of American Bank and Trust Company, San Jose, California, by Bank of Santa Clara, Santa Clara, California.

Of the failed bank's three offices, only the office at 695 First Street will reopen as a branch of Bank of Santa Clara. Customers of the failed bank's main office on Market Street may access their accounts at the 695 First Street office. Customers of the failed bank's Los Gatos office can access their accounts at the Bank of Santa Clara's Camden Avenue office in San Jose. All offices will reopen at normal business hours on June 21, 1993. The failed bank's depositors automatically will become depositors of the assuming bank.

American Bank and Trust, with total assets of \$32.8 million, was closed on Friday, June 18, 1993, by James E. Gilleran, California Superintendent of Banks, and the FDIC was named receiver.

Because American Bank and Trust was a minority-owned institution, the FDIC aggressively solicited bids from minority-owned institutions. The FDIC contacted 142 qualified banks across the country, including 43 minority-owned institutions. Only Bank of Santa Clara, which is not a minority-owned bank, submitted a bid for American Bank and Trust.

Bank of Santa Clara will assume about \$32.0 million in about 2,000 deposit accounts.

The assuming bank will pay a premium of \$283,000 for the right to

(more)

receive the failed bank's deposits and will purchase \$7.3 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$24.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$26.1 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.

##