



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF ALVARADO BANK, RICHMOND, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Alvarado Bank, Richmond, California, by Pacific Bay Bank, Richmond, California, a newly chartered bank.

The failed bank's former main office will reopen Saturday, January 26, 1991, and its San Pablo office will reopen Monday, January 28, 1991. Both offices will reopen as Pacific Bay Bank, and depositors of Alvarado Bank automatically will become depositors of the assuming bank.

Alvarado Bank, with total assets of \$35.5 million, was closed on Friday, January 25, 1991, by James Gilleran, California Superintendent of Banks, and the FDIC was named receiver.

Pacific Bay Bank will assume about \$34.0 million in 3,300 deposit accounts. It also will purchase approximately \$30.7 million of the failed bank's assets, including \$16.2 million of the failed bank's loans at a discount of \$1,487,000. To facilitate the transaction, the FDIC will advance about \$3.3 million to Pacific Bay Bank. The FDIC, as receiver, will retain about \$500,000 of secured liabilities and about \$4.8 million of the failed bank's assets.

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 nondepositor creditors and shareholders of the closed bank.

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