



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF ALASKA STATEBANK, ANCHORAGE, ALASKA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Alaska Statebank, Anchorage, Alaska, by Key Bank of Alaska, Anchorage, Alaska.

The failed bank's six offices will reopen on Monday, February 6, 1989, as branches of Key Bank of Alaska and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court. Alaska Statebank, with total assets of about \$102.2 million, was closed on Friday, February 3, 1989, by Willis F. Kirkpatrick, Alaska Director of Banking and Securities, and the FDIC was named receiver.

Key Bank of Alaska will assume about \$99.9 million in 15,000 deposit accounts and will pay the FDIC a premium of \$6,005,000. It also will purchase approximately \$66.7 million of the failed bank's assets, including \$2.6 million of the bank's small loans.

To facilitate the transaction the FDIC will advance \$30.2 million to the assuming bank and will retain assets of the failed bank with a book value of \$35.5 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 nondepositor creditors and shareholders of the closed bank.

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