



# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-170-89 (8-24-89)

## FDIC APPROVES ASSUMPTION OF DEPOSITS OF FARMERS STATE BANK OF YUMA, YUMA, COLORADO

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Farmers State Bank of Yuma, Yuma, Colorado, by The First Security Bank, Fort Lupton, Colorado.

The failed bank's sole office will reopen on Friday, August 25, 1989, as a branch of The First Security Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Farmers State Bank of Yuma, with total assets of \$30.1 million, was closed on Thursday, August 24, 1989, by Ralph E. Mires, Colorado State Bank Commissioner, and the FDIC was named receiver.

First Security Bank will assume about \$25.4 million in 3,800 deposit accounts and will purchase approximately \$29.8 million of the failed bank's assets at a discount of \$5,657,000. The FDIC will retain assets of the failed bank with a book value of about \$300,000.

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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by First Security Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

###