



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-190-89 (9-28-89)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF NATIONAL BANK OF ARIZONA, SCOTTSDALE, ARIZONA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of National Bank of Arizona, Scottsdale, Arizona, by Security Pacific Bank, National Association, Scottsdale, Arizona, a newly-chartered national bank subsidiary of Security Pacific Corporation, Los Angeles, California. The failed bank's sole office will reopen on Friday, September, 29, 1989, as Security Pacific Bank, National Association, and its depositors automatically will become depositors of the assuming bank.

National Bank of Arizona, with total assets of about \$13.9 million, was closed on Thursday, September 28, 1989, by Fred D. Finke, Director of Special Supervision of the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Security Pacific Bank, National Association will assume about \$13.7 million in 700 deposit accounts and will pay the FDIC a purchase premium of \$400,430. It also will purchase approximately \$8.5 million of the failed bank's assets, including \$337,000 of the bank's small loans.

To facilitate the transaction the FDIC will advance \$4.8 million to the assuming bank and will retain assets of the failed bank with a book value of \$5.4 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.

-more-

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.

###