



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF FIRST BANK, COLORADO SPRINGS, COLORADO

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of First Bank, Colorado Springs, Colorado, by Colorado National Bank - Exchange, Colorado Springs, Colorado.

The failed bank's sole office will reopen on Saturday, October 7, 1989, as a branch of Colorado National Bank - Exchange, and its depositors automatically will become depositors of the assuming bank.

First Bank, with total assets of \$34.6 million, was closed on Friday, October 6, 1989, by Ralph E. Mires, Colorado State Bank Commissioner, and the FDIC was named receiver.

Colorado National Bank - Exchange will assume about \$30.7 million in 8,900 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,905,000. It also will initially purchase approximately \$6 million of the failed bank's assets and will have the option to purchase loans and other assets.

To facilitate the transaction, the FDIC will advance about \$25.2 million to the assuming bank and will retain assets of the failed bank with a book value of about \$28.6 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.

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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 non depositor creditors and shareholders of the closed bank.

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