



# NEWS RELEASE

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PR-202-89 (10-19-89)

## FDIC APPROVES ASSUMPTION OF DEPOSITS OF CENTURY BANK, PHOENIX, ARIZONA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Century Bank, Phoenix, Arizona, by Century Bank, Phoenix, Arizona, a newly-chartered bank subsidiary of Valley Capital Corporation, Las Vegas, Nevada. The failed bank's five offices will reopen on Friday, October 20, 1989, as Century Bank, and its depositors automatically will become depositors of the assuming bank.

Century Bank, with total assets of about \$129.6 million, was closed on Thursday, October 19, 1989, by William H. Rivoir, Arizona Superintendent of Banks, and the FDIC was named receiver.

The newly-chartered Century Bank will assume about \$125.7 million in 10,300 deposit accounts and will pay the FDIC a purchase premium of \$2,926,000. It also will purchase approximately \$91.7 million of the failed bank's assets, including \$5.8 million of the bank's small loans.

To facilitate the transaction the FDIC will advance \$31.8 million to the assuming bank and will retain assets of the failed bank with a book value of \$37.9 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.