



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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## FDIC APPROVES ASSUMPTION OF DEPOSITS OF FIRST COMMERCE NATIONAL 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 First Commerce National Bank, Phoenix, Arizona, by Citibank (Arizona), Phoenix, Arizona. The failed bank's sole office will reopen on Friday, December 8, 1989, as a branch of Citibank (Arizona), and its depositors automatically will become depositors of the assuming bank.

First Commerce National Bank, with total assets of about \$20.2 million, was closed on Thursday, December 7, 1989, by Senior Deputy Comptroller of the Currency Robert J. Herrmann, and the FDIC was named receiver.

Citibank (Arizona) will assume about \$20.1 million in 1,300 deposit accounts and will pay the FDIC a purchase premium of \$10,001. It also will purchase approximately \$8.2 million of the failed bank's assets.

To facilitate the transaction the FDIC will advance about \$11.9 million to the assuming bank and will retain assets of the failed bank with a book value of \$12.0 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 claims will have priority over the claims of non depositor creditors and shareholders of the closed bank.

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