



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-154-87 (8-27-87)

### FDIC APPROVES DEPOSIT ASSUMPTION OF CITIZENS BANK OF GLENDALE, DENVER, COLORADO

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of deposit liabilities of Citizens Bank of Glendale, Denver, Colorado, by Prudential Bank, Denver, Colorado.

The failed bank's only office will reopen on Friday, August 28, 1987, as a branch of Prudential Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Citizens Bank of Glendale, with total assets of \$3.7 million, was closed on Thursday, August 27, 1987, by Richard B. Doby, Colorado State Bank Commissioner, and the FDIC was named receiver.

Prudential Bank will assume about \$3.1 million in 1,178 deposit accounts and has agreed to pay the FDIC a purchase premium of \$63,267. It also will purchase certain of the failed bank's assets for \$748,000. To facilitate the transaction, the FDIC will advance about \$2.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.0 million. Prudential Bank will have an option to purchase any of the assets retained by the FDIC. The exercise of this option is expected to reduce the FDIC's net cash outlay.

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

