



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF ROCKY MOUNTAIN STATE BANK, SALT LAKE CITY, UTAH

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of deposit liabilities of Rocky Mountain State Bank, Salt Lake City, Utah, by Citibank (Utah), Salt Lake City, Utah.

The failed bank's two offices will reopen on Monday, August 31, 1987, as branches of Citibank (Utah) and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Rocky Mountain State Bank, with total assets of \$17.6 million, was closed on Friday, August 28, 1987, by George Sutton, Utah Commissioner of Financial Institutions, and the FDIC was named receiver.

Citibank (Utah) will assume about \$16.3 million in 7,037 deposit accounts and has agreed to pay the FDIC a purchase premium of \$700,000. It also will purchase certain of the failed bank's loans and other assets for \$10.7 million. To facilitate the transaction, the FDIC will advance about \$4.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.9 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

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this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

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The Board of Directors of the Federal Reserve Bank of New York has approved the appointment of a receiver for the closed bank. The receiver will be responsible for the liquidation of the bank's assets and the payment of its liabilities. The FDIC is the primary creditor of the bank and will have priority in the liquidation process. The receiver will also be responsible for the distribution of the bank's assets to its shareholders and nondepositor creditors. The FDIC is currently reviewing the bank's financial statements and will report to the Board of Directors on the results of its review. The FDIC is also working with the receiver to ensure that the liquidation process is carried out in an orderly and efficient manner. The FDIC is committed to protecting the interests of its creditors and shareholders and to ensuring that the liquidation process is completed as quickly as possible.