



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF BASIN STATE BANK, VERNAL, UTAH

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Basin State Bank, Vernal, Utah, by Zions First National Bank, Salt Lake City, Utah.

The failed bank's sole office will reopen on Tuesday, February 16, 1988, as an office of Zions First National Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Basin State Bank, with total assets of \$11.8 million, was closed on Friday, February 12, 1988, by George R. Sutton, Utah Commissioner of Financial Institutions, and the FDIC was named receiver.

Zions First National Bank will assume about \$11.3 million in 3,200 deposit accounts and has agreed to purchase approximately \$520,000 in loans and other assets of \$1.7 million at a discount of \$50,000. To facilitate the transaction, the FDIC will advance about \$9.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$9.6 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.

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.

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