



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF ALASKA CONTINENTAL BANK, ANCHORAGE, ALASKA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Alaska Continental Bank, Anchorage, Alaska, by First Interstate Bank of Alaska, a newly-chartered subsidiary of First Interstate Bancorp, Los Angeles, California.

The failed bank's two offices will reopen on Thursday, August 4, 1988, as First Interstate Bank of Alaska and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Alaska Continental Bank, with total assets of \$55.8 million, was closed on Wednesday, August 3, 1988, by Willis F. Kirkpatrick, Alaska Director of Banking and Securities, and the FDIC was named receiver.

First Interstate Bank of Alaska will assume about \$53.3 million in 6,700 deposit accounts and has agreed to pay the FDIC a purchase premium of \$300,000. It also will purchase \$33.6 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$19.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$22.2 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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