



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST INDUSTRIAL BANK OF ROCKY FORD, ROCKY FORD, COLORADO

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of First Industrial Bank of Rocky Ford, Rocky Ford, Colorado, by The First National Bank of Ordway, Ordway, Colorado.

The failed bank's sole office will reopen on Monday, December 19, 1988, as a branch of The First National Bank of Ordway and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First Industrial Bank of Rocky Ford, with total assets of \$12.5 million, was closed on Friday, December 16, 1988, by Ralph E. Mires, Colorado State Bank Commissioner, and the FDIC was named receiver.

The First National Bank of Ordway will assume about \$11.6 million in 2,300 deposit accounts and has agreed to pay the FDIC a purchase premium of \$5,000. It also will purchase certain of the failed bank's assets for \$3.0 million and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$8.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$9.4 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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