



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF  
UNIVERSITY BANK OF WICHITA, WICHITA, KANSAS

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of the University Bank of Wichita, Wichita, Kansas, have been assumed by Charter Bank, N.A., Wichita, Kansas, a newly-chartered bank. The failed bank's sole office will reopen on Wednesday, December 12, 1984, as Charter Bank, N. A., and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

University Bank of Wichita was closed on December 11, 1984, by Eugene T. Barrett, Jr., Kansas State Bank Commissioner, and the FDIC was named receiver. Mr. Barrett said: "University Bank experienced substantial deterioration in the quality of its loan portfolio."

In addition to assuming about \$4.7 million in 3,800 deposit accounts, Charter Bank, N.A., has agreed to pay the FDIC a purchase premium of \$51,000. The assuming bank will purchase the failed bank's installment loans, real estate loans, and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to \$2.7 million and will retain assets of the failed bank with a book value of approximately \$3.2 million.

The FDIC approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the Corporation. The Board of Directors made such a finding in this case because of the premium paid by Charter Bank, N.A.

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The FDIC expects to recover a substantial 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 the shareholders of the closed bank.

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