



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-81-93 (7-2-93)

Media Contact:
David Barr (202) 898-6992

FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF EMERALD CITY BANK, SEATTLE, WASHINGTON

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Emerald City Bank, Seattle, Washington, by Key Bank of Washington, Tacoma, Washington.

Emerald City Bank, with total assets of \$8.2 million, was closed on Friday, July 2, 1993, by John Bley, Washington Supervisor of Banking, and the FDIC was named receiver.

The failed bank's sole office will reopen on Tuesday, July 6, 1993, as a branch of Key Bank of Washington, and its depositors automatically will become depositors of the assuming bank.

Key Bank of Washington will assume \$7.2 million in about 1,000 accounts. At the time the bank closed, about \$197,000 in seven accounts exceeded the federal deposit insurance limit of \$100,000. These funds will not be assumed by Key Bank of Washington.

The FDIC Board of Directors also voted to make a prompt advance payment to uninsured depositors which will equal 80 percent of the uninsured claims. Uninsured depositors can submit their claims for advance payment with the FDIC at the bank beginning Tuesday, July 6. If actual collections on the failed bank's assets exceed this initial payment, uninsured depositors ultimately will receive additional payments on their claims.

Key Bank of Washington will pay a premium of \$1,000 for the right to receive the failed bank's insured deposits and will purchase \$7.8 million of

(more)

the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$1.2 million to the assuming bank and will retain assets of the failed bank with a book value of about \$366,000.

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 FDIC.

###