FDIC NEWS RELEASE

FEDERAL DEPOSIT INSURANCE CORPORATION

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FDIC TRANSFERS INSURED DEPOSITS OF
COLUMBIA BANK, AVONDALE, ARIZONA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of Columbia Bank, Avondale, Arizona, to The Valley National Bank of Arizona, Phoenix, Arizona. The failed bank's two offices will reopen on Friday, February 28, 1992, as branches of The Valley National Bank.

The Board of Directors decided to arrange an insured deposit transfer because no acceptable bids for a purchase and assumption transaction were received.

Columbia Bank, with total assets of about $15.9 million, was closed on Thursday, February 27, 1992, by Harold E. Feeney, Arizona Superintendent of Banks, and the FDIC was named receiver. At the time the bank closed, its deposits totaled about $14.9 million in about 2,000 deposit accounts, including approximately $35,000 in 14 accounts that exceeded the federal insurance limit of $100,000.

Deposits in the failed bank up to the statutory insurance limit of $100,000 will be available to their owners on Friday, February 28, 1992. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

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Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of $5,000 for the right to receive the transferred deposits. The FDIC will retain assets of the failed bank with a book value of $15.9 million. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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