



# NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF  
FIRST NEW YORK BANK FOR BUSINESS, NEW YORK, NEW YORK

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of First New York Bank for Business, New York, New York, by The Merchants Bank of New York, New York, New York.

The failed bank's five offices will reopen on Monday, November 16, 1992, as branches of The Merchants Bank of New York, and its depositors automatically will become depositors of the assuming bank.

First New York Bank for Business, with total assets of \$548.2 million, was closed on Friday, November 13, 1992, by Derrick D. Cephas, New York Superintendent of Banks, and the FDIC was named receiver.

The Merchants Bank will assume about \$492.8 million in about 21,400 deposit accounts. It will pay a premium of \$1.1 million for the right to receive the failed bank's deposits and will purchase \$85.6 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$406.2 million to the assuming bank and will retain assets of the failed bank with a book value of about \$462.6 million. At the time the bank closed, it had approximately \$7.9 million in about 550 accounts that exceeded the federal insurance limit of \$100,000 and will not be assumed by The Merchants Bank.

The Board of Directors also voted to make a prompt advance payment to unsecured creditors, including uninsured depositors, equal to 50 percent of

(more)

the uninsured claims. Uninsured depositors can submit their claims for advance payment at the bank beginning Monday, November 16, 1992.

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. Non-depositor creditors and uninsured depositors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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