



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-13-90 (1-26-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF CREDITBANK, CUTLER RIDGE, FLORIDA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Creditbank, Cutler Ridge, Florida, by Capital Bank, Miami, Florida. The failed bank's four offices will reopen on Monday, January 29, 1990, as branches of Capital Bank and its depositors automatically will become depositors of the assuming bank.

Creditbank, with total assets of about \$76.0 million, was closed on Friday, January 26, 1990, by Gerald Lewis, Florida State Comptroller, and the FDIC was named receiver.

Capital Bank will assume about \$74.6 million in 7,400 deposit accounts and will pay the FDIC a purchase premium of \$690,000. It also will purchase approximately \$44.0 million of the failed bank's assets, including \$1.5 million of the bank's small loans.

To facilitate the transaction the FDIC will advance \$30.1 million to the assuming bank and will retain assets of the failed bank with a book value of \$32.0 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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