



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
CENTRAL ARIZONA BANK, CHANDLER, ARIZONA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Central Arizona Bank, Chandler, Arizona, by Security Pacific Bank Arizona, Phoenix, Arizona. The failed bank's sole office will reopen on Friday, April 27, 1990, as a branch of Security Pacific Bank Arizona, and its depositors automatically will become depositors of the assuming bank.

Central Arizona Bank, with total assets of about \$6.6 million, was closed on Thursday, April 26, 1990, by William H. Rivoir, III, Arizona Superintendent of Banks, and the FDIC was named receiver.

Security Pacific Bank Arizona will assume about \$6.9 million in 1,200 deposit accounts. It also will purchase approximately \$5.6 million of the failed bank's assets, including \$1.1 million of the bank's small loans at a discount of \$202,749.

To facilitate the transaction the FDIC will advance \$1.5 million to the assuming bank and will retain assets of the failed bank with a book value of \$1.0 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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