



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF FARMERS AND MERCHANTS BANK, BUCKEYE, ARIZONA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Farmers and Merchants Bank, Buckeye, Arizona, by The Stockmen's Bank, Kingman, Arizona.

The failed bank's three offices will reopen on Tuesday, June 19, 1990, as branches of The Stockmen's Bank, and its depositors automatically will become depositors of the assuming bank.

Farmers and Merchants, with total assets of \$22.2 million, was closed on Monday, June 18, 1990, by William H. Rivoir, Superintendent of Banks, and the FDIC was named receiver.

The Stockmen's Bank will assume about \$20.6 million in 4,400 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,000. It also will purchase certain of the failed bank's loans and other assets. To facilitate the transaction, the FDIC will advance about \$5.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$7.1 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.

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