

Congressional delegation lauds banks' merger plan

WASHINGTON, D.C. — The Federal Deposit Insurance Corp.'s approval of a merger of Alaska Mutual Bank and United Bank Alaska is a positive step toward putting the banking industry in Alaska back on track, according to the Alaska Congressional Delegation.

"The agreement will protect local lines of business credit because, as a result of the merger, all assets and liabilities of UBA and AMB will be assumed by the new bank," Sen. Frank Murkowski said. "The agreement will also give a boost to public confidence in Alaska's business institutions."

Sen. Ted Stevens also praised the plan. "If the banks' shareholders approve of the FDIC assistance plan, and

the sale and merger take place, it would be a positive step in working toward strengthening Alaska's economy," he said.

And Congressman Don Young said the merger will add stability to the Alaska banking community.

The two banks represent 25 percent of Alaska banking assets and will be merged as one bank under approval of the FDIC. The Hallwood Group has agreed to put in \$65 million, under the FDIC's plan. In response, the FDIC agreed to contribute \$295 million to the bank.

The merger is expected to take place some time in November. According to the FDIC, the injection of \$360 million in new capital will be sufficient to keep the new bank healthy as Alaska's economy expands.