



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF TREASURE STATE BANK, GLASGOW, MONTANA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Treasure State Bank, Glasgow, Montana, by Valley Bank of Glasgow, Glasgow, Montana, a newly-chartered bank.

The failed bank's sole office will reopen on Monday, June 12, 1989, as Valley Bank of Glasgow and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Treasure State Bank, with total assets of about \$14.6 million, was closed on Friday, June 9, 1989, by Fred J. Flanders, Montana Commissioner of Financial Institutions, and the FDIC was named receiver.

Valley Bank of Glasgow will assume about \$12.9 million in about 2,000 deposit accounts and will purchase \$10.4 million of the failed bank's assets at a discount of \$1.3 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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Valley Bank of Glasgow, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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