



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-176-89 (8-31-89)

FDIC TRANSFERS INSURED DEPOSITS OF THE BURR OAK STATE BANK, BURR OAK, KANSAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of The Burr Oak State Bank, Burr Oak, Kansas, to First National Bank in Mankato, Mankato, Kansas. The failed bank's sole office will not reopen. Its depositors will have access to their funds at the First National Bank in Mankato, about 10 miles southeast of Burr Oak, on Friday, September 1, 1989.

The Board of Directors decided to arrange an insured deposit transfer because no bids were received for a purchase and assumption transaction.

The Burr Oak State Bank, with total assets of about \$4.2 million, was closed on Thursday, August 31, 1989, by W. Newton Male, Kansas Bank Commissioner, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$4.0 million in 700 deposit accounts, all believed to be within the federal insurance limit of \$100,000. Nondepositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Friday, September 1, 1989. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

-more-

MEANS REVIEW FDIC

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$10,000 for the right to receive the transferred deposits. It will purchase approximately \$1.1 million of the failed bank assets and will have options to purchase loans and other assets. The FDIC will retain assets of the failed bank with a book value of \$3.1 million.

###

52