



# NEWS RELEASE

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## FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST STATE BANK OF KING CITY, MISSOURI, KING CITY, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of First State Bank of King City, Missouri, King City, Missouri, by Citizens Bank & Trust Company, Chillicothe, Missouri.

The failed bank's only office will reopen on Tuesday, February 17, 1987, as a branch of Citizens Bank & Trust Company and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First State Bank of King City, Missouri, with total assets of \$13.5 million, was closed on Friday, February 13, 1987, by Thomas B. Fitzsimmons, Missouri Commissioner of Finance, and the FDIC was named receiver.

Citizens Bank & Trust Company will assume about \$13.8 million in 2,700 deposit accounts and has agreed to pay the FDIC a purchase premium of \$75,100. It also will purchase certain of the failed bank's loans and other assets for \$6.9 million. To facilitate the transaction, the FDIC will advance \$6.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.6 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 Board made such a finding in this case because of the premium paid by Citizens Bank & Trust Company.

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 non depositor creditors and shareholders of the closed bank.

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