



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF BANK OF IRON COUNTY, PAROWAN, UTAH

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Bank of Iron County, Parowan, Utah, by Dixie State Bank, St. George, Utah.

The failed bank's three offices will reopen on Monday, April 13, 1987, as branches of Dixie State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Iron County, which had total assets of \$20.1 million, was closed on Friday, April 10, 1987, by Elaine B. Weis, Utah Commissioner of Financial Institutions, and the FDIC was named receiver.

Dixie State Bank will assume about \$19.9 million in 6,300 deposit accounts and will purchase all of the failed bank's assets at a discount of \$3,575,000.

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. The transaction, which results in a purchase of all of the failed bank's assets, will result in a substantially 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 Dixie State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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