



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF OSCEOLA STATE BANK & TRUST COMPANY, OSCEOLA, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Osceola State Bank & Trust Company, Osceola, Iowa, by American State Bank, Osceola, Iowa, a newly-chartered subsidiary of Osceola Bancorporation, Osceola, Iowa.

The failed bank's only office will reopen on Friday, April 24, 1987, as American State Bank, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Osceola State Bank & Trust Company, with total assets of \$9.5 million, was closed on Thursday, April 23, 1987, by William R. Bernau, Iowa Superintendent of Banking, and the FDIC was named receiver.

American State Bank will assume about \$8.4 million in 2,200 deposit accounts and has agreed to pay the FDIC a purchase premium of \$62,558. It also will purchase certain of the failed bank's loans and other assets for \$6.2 million. To facilitate the transaction, the FDIC will advance about \$2.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.3 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 Board made such a finding in this case because of the premium paid by American State Bank.

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 nondepositor creditors and shareholders of the closed bank.

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