



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-96-88 (5-6-88)

### FDIC APPROVES DEPOSIT ASSUMPTION OF FOREST CITY BANK AND TRUST COMPANY, FOREST CITY, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Forest City Bank and Trust Company, Forest City, Iowa, by Liberty Bank and Trust, Forest City, Iowa, a newly-chartered subsidiary of Winnebago County Bancorporation, Hampton, Iowa.

The failed bank's sole office will reopen on Monday, May 9, 1988, as Liberty Bank and Trust and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Forest City Bank and Trust Company, with total assets of about \$27.2 million, was closed on Friday, May 6, 1988, by Edward L. Tubbs, Iowa Superintendent of Banking, and the FDIC was named receiver.

Liberty Bank and Trust will assume about \$26.5 million in 1,700 deposit accounts and will purchase approximately \$26.8 million of the failed bank's assets at a discount of \$1,177,000.

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 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 Liberty Bank and Trust, the failed bank's customers will have the benefit of continuous, uninterrupted service.

###