



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-111-88 (6-2-88)

FDIC APPROVES DEPOSIT ASSUMPTION OF COMMUNITY STATE BANK, WHITING, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Community State Bank, Whiting, Iowa, by Sloan State Bank, Sloan, Iowa.

The failed bank's sole office will reopen on Friday, June 3, 1988, as a branch of Sloan State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Community State Bank, with total assets of about \$5.8 million, was closed on Thursday, June 2, 1988, by Edward L. Tubbs, Iowa Superintendent of Banking, and the FDIC was named receiver.

Sloan State Bank will assume about \$5.3 million in 1,250 deposit accounts and will purchase approximately \$4.9 million of the failed bank's assets at a discount of \$480,000.

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 Sloan State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

###