



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF PISGAH SAVINGS BANK, PISGAH, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of Pisgah Savings Bank, Pisgah, Iowa, to Iowa Savings Bank, Woodbine, Iowa. The failed bank's sole office will reopen on Friday, September 2, 1988, as a branch of Iowa Savings Bank.

The Board of Directors decided to arrange an insured deposit transfer because of an inability to determine the value of the assets.

Pisgah Savings Bank, with total assets of \$10.1 million, was closed on Thursday, September 1, 1988, by Edward L. Tubbs, Iowa Superintendent of Banking, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$9.7 million in 1,600 deposit accounts including \$126,000 in 19 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Friday, September 2, 1988. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss the continuation of their banking relationship.

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Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$217,700 for the right to receive the transferred deposits, and will purchase assets of the failed bank for \$1.6 million. The FDIC will retain assets of the failed bank with a book value of about \$8.6 million. The assuming bank will have an option to purchase these assets.

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