



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-201-88 (11-4-88)

FDIC TRANSFERS INSURED DEPOSITS OF MT. ZION STATE BANK, MOUNT ZION, ILLINOIS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and other secured liabilities of Mt. Zion State Bank, Mount Zion, Illinois, to Mount Zion State Bank and Trust Company, Mount Zion, Illinois, a newly-chartered subsidiary of Meredosia Bancorporation, Inc., Springfield, Illinois. The failed bank's two offices will reopen on Saturday, November 5, 1988, as Mount Zion State Bank and Trust Company.

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

Mt. Zion State Bank, with total assets of about \$27.4 million, was closed on Friday, November 4, 1988, by William C. Harris, Illinois Commissioner of Banks and Trust Companies, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$25.8 million in 6,300 deposit accounts including approximately \$3,000 in 7 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 Saturday, November 5, 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

-more-



should visit the acquiring bank during the next several weeks to discuss the continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank will purchase \$23.8 million of the failed banks assets at a discount of \$795,000.

###