



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF McCUNE STATE BANK, McCUNE, KANSAS

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of McCune State Bank, McCune, Kansas, by City National Bank of Pittsburg, Pittsburg, Kansas.

The failed bank's only office will reopen on Friday, July 25, 1986, as a branch of City National Bank of Pittsburg and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

McCune State Bank, with total assets of \$8.3 million, was closed on Thursday, July 24, 1986, by Eugene T. Barrett, Jr., Kansas State Bank Commissioner, and the FDIC was named receiver. Mr. Barrett said: "The insolvent condition of the bank is generally attributable to changing economic conditions."

City National Bank of Pittsburg will assume about \$7.8 million in 2,100 deposit accounts and has agreed to pay the FDIC a purchase premium of \$116,000. It also will purchase certain of the failed bank's loans and other assets for \$5.8 million. To facilitate the transaction, the FDIC will advance \$2.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$2.5 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 City National Bank of Pittsburg.

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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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