



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF CITIZENS STATE BANK, IOWA FALLS, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Citizens State Bank, Iowa Falls, Iowa, by Green Belt Bank & Trust, a newly-chartered subsidiary of Green Belt Bancorporation, Iowa Falls, Iowa.

The failed bank's two offices will reopen on Friday, August 1, 1986, as Green Belt Bank & Trust and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Citizens State Bank, with total assets of \$51.9 million, was closed on Thursday, July 31, 1986, by Iowa Superintendent of Banking William R. Bernau and the FDIC was named receiver. Mr. Bernau said: "The bank failed because of excessive loan losses caused by Iowa's poor farm economy."

Green Belt Bank & Trust will assume about \$50.9 million in 10,000 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,060,000. It also will purchase certain of the failed bank's loans and other assets for \$31.1 million. To facilitate the transaction, the FDIC will advance \$19.3 million to the assuming bank and will retain assets of the failed bank with a book value of about \$20.8 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 Green Belt Bank & Trust.

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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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