



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST NATIONAL BANK OF TIPTON, TIPTON, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of First National Bank of Tipton, Tipton, Iowa, by Citizens Savings Bank, Anamosa, Iowa.

The failed bank's only office will reopen on Saturday, February 15, 1986, as Citizens Savings Bank, Tipton Branch, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First National Bank of Tipton, which had total assets of \$17.7 million, was closed on February 14, 1986, by Michael Patriarca, Deputy Comptroller of the Currency, and the FDIC was named receiver.

Citizens Savings Bank will assume about \$17.5 million in 5,400 deposit accounts and has agreed to pay the FDIC a purchase premium of \$491,749. It also will purchase certain of the failed bank's loans and other assets for \$14.3 million. To facilitate the transaction, the FDIC will advance \$2.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.4 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 Citizens Savings Bank.

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 shareholders of the closed bank.

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