



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF CITIZENS STATE BANK OF EL DORADO, EL DORADO, KANSAS

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Citizens State Bank of El Dorado, El Dorado, Kansas, have been assumed by National Bank of El Dorado, El Dorado, Kansas, a newly-chartered national bank. The failed bank's two offices will reopen on Friday, July 26, 1985, as National Bank of El Dorado and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Citizens State Bank of El Dorado was closed on Thursday, July 25, 1985, by Kansas State Bank Commissioner Eugene T. Barrett, Jr. and the FDIC was named receiver. Mr. Barrett attributed the failure to "substantial loan losses of a non-agricultural nature."

National Bank of El Dorado will assume about \$26.0 million in 5,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$511,000. It also will purchase certain of the failed bank's loans and other assets for \$23.1 million. To facilitate the transaction, the FDIC will advance \$2.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.0 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 National Bank of El Dorado.

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The FDIC expects to recover a substantial 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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