



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF BANK OF CANTON, CANTON, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Bank of Canton, Canton, Oklahoma, have been assumed by Community State Bank of Canton, Canton, Oklahoma, a newly chartered bank.

The failed bank's two offices will reopen on Friday, October 11, 1985, as Community State Bank of Canton and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Canton was closed on Thursday, October 10, 1985, by Robert Y. Empie, Oklahoma Bank Commissioner, and the FDIC was named receiver. Mr. Empie said: "The bank was closed because of an imprudent concentration of credit extended to weak borrowers within the agricultural sector."

Community State Bank of Canton will assume about \$18.1 million in 3,200 deposit accounts, including approximately \$150,000, in 14 accounts, in excess of the federal insurance limit of \$100,000, and has agreed to pay the FDIC a purchase premium of \$50,000. It also will purchase certain of the failed bank's loans and other assets for \$11.5 million. To facilitate the transaction, the FDIC will advance \$6.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.5 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 Community State Bank of Canton.

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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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