



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF SARATOGA STATE BANK, SARATOGA, WYOMING

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Saratoga State Bank, Saratoga, Wyoming, have been assumed by First Wyoming Bank - Saratoga, Saratoga, Wyoming, a new state member bank.

The failed bank's only office will reopen on Tuesday, October 15, 1985, at 9 a.m. as First Wyoming Bank - Saratoga and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Saratoga State Bank was closed on Friday, October 11, 1985, by Stanley R. Hunt, Wyoming State Examiner, and the FDIC was named receiver. Mr. Hunt said: "Loan losses were found to be at a critical level, which exhausted the bank's capital funds and resulted in its insolvency. Attempts by the bank to raise additional capital were not successful."

First Wyoming Bank - Saratoga will assume about \$16.5 million in 3,500 deposit accounts, including \$230,000 in excess of the federal insurance limit of \$100,000, and has agreed to pay the FDIC a purchase premium of \$267,775. It also will purchase certain of the failed bank's loans and other assets for \$13.6 million. To facilitate the transaction, the FDIC will advance \$3.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.3 million.

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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 First Wyoming Bank - Saratoga.

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 shareholders of the closed bank.

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