



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC ANNOUNCES DEPOSIT ASSUMPTION OF EARLY SAVINGS BANK, EARLY, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Early Savings Bank, Early, Iowa, have been assumed by The Citizens First National Bank of Storm Lake, Storm Lake, Iowa.

The failed bank's only office will reopen Monday, November 4, 1985, as a branch of The Citizens First National Bank of Storm Lake and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Early Savings Bank was closed on Friday, November 1, 1985, by Thomas H. Huston, Iowa Superintendent of Banking, and the FDIC was named receiver.

The Citizens First National Bank of Storm Lake will assume about \$11.8 million in 2,700 deposit accounts, including \$58,000 in two accounts in excess of the federal insurance limit of \$100,000. The assuming bank has agreed to pay the FDIC a purchase premium of \$10,001 and also will purchase certain of the failed bank's loans and other assets for \$8.1 million. To facilitate the transaction, the FDIC will advance \$3.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.6 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 The Citizens First National Bank of Storm Lake.

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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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