



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF AUBURN SAVINGS BANK, AUBURN, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Auburn Savings Bank, Auburn, Iowa, by Carroll County State Bank, Carroll, Iowa.

The failed bank's only office will reopen on Tuesday, November 12, 1985, as a branch of Carroll County State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Auburn Savings Bank was closed on Friday, November 8, 1985, by Thomas H. Huston, Iowa Superintendent of Banking, and the FDIC was named receiver.

Carroll County State Bank will assume about \$6.8 million in 1,900 deposit accounts, and has agreed to pay the FDIC a purchase premium of \$167,000. It also will purchase certain of the failed bank's loans and other assets for \$4.8 million. To facilitate the transaction, the FDIC will advance \$1.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$2.2 million. Total assets of the failed bank amounted to \$7.0 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 Carroll County State Bank.

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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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