



# NEWS RELEASE

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## FDIC APPROVES DEPOSIT ASSUMPTION OF THE DILL STATE BANK, DILL CITY, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of The Dill State Bank, Dill City, Oklahoma, by Home State Bank, Hobart, Oklahoma.

The failed bank's only office will reopen on Friday, November 22, 1985, as a branch of Home State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Dill State Bank was closed on Thursday, November 21, 1985, by Oklahoma Bank Commissioner Robert Y. Empie and the FDIC was named receiver. Mr. Empie said: "This has been a problem bank of long standing that continued with an ill-advised lending policy resulting in deterioration of capital funds beyond the point of insolvency."

Home State Bank will assume about \$13.6 million in 2,100 deposit accounts 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 \$9.4 million. To facilitate the transaction, the FDIC will advance \$4.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.0 million. Total assets of the failed bank amounted to \$15.4 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 Home 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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