



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF THE CORNING BANK, CORNING, ARKANSAS

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The Corning Bank, Corning, Arkansas, have been assumed by a de novo bank, The Corning Bank, Corning, Arkansas, a wholly-owned subsidiary of First Paragould Bancshares, Paragould, Arkansas. The failed bank's main office and two branches will reopen on Monday, June 18, 1984, as offices of the new Corning Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Corning Bank was closed on June 15, 1984, by Arkansas Bank Commissioner Marlin D. Jackson, and the FDIC was named receiver.

In addition to assuming about \$31.8 million in 9,300 deposit accounts, the new Corning Bank has agreed to pay the FDIC a purchase premium of \$601,000. The assuming bank will purchase the failed bank's installment loans and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to \$26.2 million and will retain assets of the failed bank with a book value of approximately \$28.3 million.

The FDIC approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the Corporation. The Board of Directors made such a finding in this case because of the premium paid by the new Corning Bank.

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 the shareholders of the closed bank.

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