



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-144-84 (11-29-84)

**FDIC ANNOUNCES DEPOSIT ASSUMPTION OF
THE STRONG CITY STATE BANK, STRONG CITY, KANSAS**

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The Strong City State Bank, Strong City, Kansas, have been assumed by Chase County Bank, Strong City, Kansas, a subsidiary of Chase County Bankshares Incorporated, Strong City. The failed bank's sole office will reopen on Friday, November 30, 1984, as Chase County Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Strong City State Bank was closed on November 29, 1984, by Kansas State Bank Commissioner Eugene C. Hegarty, and the FDIC was named receiver. Mr. Hegarty said that The Strong City State Bank had experienced substantial deterioration in the quality of its loan portfolio and was insolvent.

In addition to assuming about \$4.3 million in 1,045 deposit accounts, Chase County Bank has agreed to pay the FDIC a purchase premium of \$42,000. 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 \$2.8 million and will retain assets of the failed bank with a book value of approximately \$3.1 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 Chase County.

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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 the shareholders of the closed bank.

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