



NEWS RELEASE

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Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF VALLEY NATIONAL BANK OF FREMONT COUNTY, HAMBURG, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Valley National Bank of Fremont County, Hamburg, Iowa, by The Decatur County State Bank, Leon, Iowa.

The failed bank's two offices will reopen on Friday, April 30, 1993, as branches of Decatur County, and its depositors automatically will become depositors of the assuming bank.

Valley National, with total assets of \$7.2 million, was closed on Thursday, April 29, 1993, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

The Decatur County State Bank will assume about \$6.8 million in 2,200 deposit accounts and will purchase approximately \$7.1 million of the failed bank's assets at a discount of \$148,000. At the time the bank closed, about \$20,000 in one account exceeded the federal insurance limit of \$100,000 and will not be assumed by Decatur County.

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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Decatur County State Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

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