



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-173-91 (11-14-91)

Media Contact:
Andrew Porterfield (202) 898-6593

FDIC TRANSFERS INSURED DEPOSITS OF WORTHINGTON STATE BANK, WORTHINGTON, INDIANA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of Worthington State Bank, Worthington, Indiana, to First Farmers State Bank, Sullivan, Indiana. The failed bank's sole office will reopen on Friday, November 15, 1991, as a branch of First Farmers State Bank.

The Board of Directors decided to arrange an insured deposit transfer because the FDIC was unable to quantify the value of the bank's assets.

Worthington State Bank, with total assets of about \$37.0 million, was closed on Thursday, November 14, 1991, by Charles W. Phillips, Director of the Indiana Department of Financial Institutions, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$34.4 million in 3,700 deposit accounts, including approximately \$4,930,000 in 82 accounts that exceeded the federal insurance limit of \$100,000.

The FDIC will recover a 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.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on November 15, 1991. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to

(more)

conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$150,000 for the right to receive the transferred deposits. It also will purchase \$27.7 million of the failed bank's assets, including \$330,000 in loans. The FDIC will retain assets of the failed bank with a book value of \$9.3 million.

###