



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF THE BANK OF NORTH MISSISSIPPI, OAKLAND, MISSISSIPPI

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of The Bank of North Mississippi, Oakland, Mississippi, by Bank of Mississippi, Tupelo, Mississippi.

The failed bank's three offices will reopen on Thursday, April 23, 1987, as branches of Bank of Mississippi and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Bank of North Mississippi, with total assets of \$14.6 million, was closed on Wednesday, April 22, 1987, by Jean S. Porter, Commissioner of the Mississippi Department of Banking and Consumer Finance, and the FDIC was named receiver.

Bank of Mississippi will assume about \$13.7 million in 4,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,151,000. It also will purchase certain of the failed bank's loans and other assets for \$10.6 million. To facilitate the transaction, the FDIC will advance about \$2.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.0 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 Bank of Mississippi.

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 shareholders of the closed bank.

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