



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC GRANTS ASSISTANCE TO PREVENT FAILURE OF SECURITY BANK OF RICH HILL, RICH HILL, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation today announced it has granted financial assistance under Section 13(c) of the Federal Deposit Insurance Act to prevent the failure of Security Bank of Rich Hill, Rich Hill, Missouri. The transaction is effective as of June 5, 1987. The FDIC acted following notification by Thomas B. Fitzsimmons, Missouri Commissioner of Finance, that Security Bank of Rich Hill was in danger of failing.

As a result of this action, Security Bank of Rich Hill will be strengthened and recapitalized, and uninterrupted service will be afforded all deposit and loan customers of the bank. The bank operates one office in Rich Hill, Missouri, and has assets of \$12.9 million and deposits of \$12.7 million.

The FDIC's financial assistance consists of a cash infusion of \$225,000 and the purchase of assets from the bank of approximately \$542,000.

The FDIC usually acts following the failure of a commercial bank either to arrange for its deposits to be assumed by a healthy bank or, if that is not possible, to pay off insured depositors and liquidate the failed bank's assets. However, the FDIC's Board, as a matter of policy, generally will approve a request for assistance to prevent the closing of an insured bank or thrift only if it determines that the proposal is clearly the least costly alternative available to the FDIC and the bank will have managerial resources capable of returning it to viability. An assistance proposal must provide for sufficient capitalization of a failing bank and should include capital infusions from non-FDIC sources. Furthermore, the financial effect of FDIC

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assistance upon shareholders and creditors of the bank or of the bank's holding company must approximate the effect on these parties which would have resulted had the assisted bank failed.

In granting financial assistance, the FDIC will attempt to avoid acquiring an equity position in a bank or acquiring or servicing the institution's assets. Responsibility for pursuing legal claims against bonding and insurance companies and others should remain with the bank in most cases.

The FDIC Board voted to approve the Security Bank of Rich Hill assistance transaction based on the determination that it was in compliance with the mandatory cost test as well as these policy criteria.

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