



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF SECURITY STATE BANK, OXFORD, NEBRASKA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Security State Bank, Oxford, Nebraska, by Union Bank and Trust Company, Lincoln, Nebraska.

The failed bank's sole office will reopen on Friday, October 2, 1987, as a branch of Union Bank and Trust Company and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Security State Bank, with total assets of about \$11.3 million, was closed on Thursday, October 1, 1987, by Cynthia H. Milligan, Nebraska Director of Banking and Finance, and the FDIC was named receiver.

Union Bank and Trust Company will assume about \$11.0 million in 2,909 deposit accounts and has agreed to pay the FDIC a purchase premium of \$252,000. It also will purchase assets of the failed bank for \$8.0 million. To facilitate the transaction, the FDIC will advance about \$3.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.3 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 was able to make such a determination in this case due to the premium paid by Union Bank and Trust Company.

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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.

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