



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF MISSOURI FARMERS BANK, MOUND CITY, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Missouri Farmers Bank, Mound City, Missouri, by United Missouri Bank of St. Joseph, St. Joseph, Missouri.

The failed bank's two offices will reopen on Friday, October 3, 1986, as facilities of United Missouri Bank of St. Joseph, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Missouri Farmers Bank, with total assets of \$22.8 million, was closed on Thursday, October 2, 1986, by Missouri Commissioner of Finance Thomas B. Fitzsimmons and the FDIC was named receiver. Mr. Fitzsimmons said: "The bank failed because agricultural loan losses exhausted the bank's capital."

United Missouri Bank of St. Joseph will assume about \$23.3 million in 5,000 deposit accounts and has agreed to pay the FDIC a purchase premium of \$75,000. It also will purchase certain of the failed bank's loans and other assets for \$16.5 million. To facilitate the transaction, the FDIC will advance \$6.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.3 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 made such a finding in this case because of the premium paid by United Missouri Bank of St. Joseph.

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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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