



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST STOCK YARDS BANK, ST. JOSEPH, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of First Stock Yards Bank, St. Joseph, Missouri, by The Bank of St. Joseph, St. Joseph, Missouri.

The failed bank's two offices will reopen on Friday, November 7, 1986, as branches of The Bank of St. Joseph, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

In a separate transaction, United Missouri Bank of St. Joseph, St. Joseph, Missouri, assumed the deposits and purchased some of the assets of The Home Bank, Savannah, Missouri, which also failed today. Both The Home Bank and the First Stock Yards Bank were owned by First Midwest Bancorp, Inc., St. Joseph, Missouri.

First Stock Yards Bank, with total assets of \$29.1 million, was closed on Thursday, November 6, 1986, by Missouri Commissioner of Finance Thomas B. Fitzsimmons and the FDIC was named receiver. Mr. Fitzsimmons said: "Both banks failed primarily due to losses suffered on loan participations purchased from the First National Bank of St. Joseph, which failed on October 11, 1985. Both banks were serving agricultural markets, but it was not local agricultural credits generated by these banks that caused the failures."

The Bank of St. Joseph will assume about \$32.1 million in 8,100 deposit accounts and has agreed to pay the FDIC a purchase premium of \$403,000. It also will purchase certain of the failed bank's loans and other assets for \$20.7 million. To facilitate the transaction, the FDIC will advance \$11.0

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million to the assuming bank and will retain assets of the failed bank with a book value of about \$8.4 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 The Bank of St. Joseph.

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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