



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF THE TAYLOR STATE BANK, EMINGTON, ILLINOIS

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The Taylor State Bank, Emington, Illinois, have been assumed by The First National Bank of Dwight, Dwight, Illinois. The failed bank's sole office will reopen on Saturday, March 16, 1985 as a "facility" of The First National Bank of Dwight and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Taylor State Bank was closed on March 15, 1985, by William C. Harris, Illinois Commissioner of Banks and Trust Companies, and the FDIC was named receiver. Mr. Harris said: "The bank's capital was impaired as a result of its inability to generate sufficient income to offset continuing loan losses, coupled with the inability of the bank's board of directors to infuse new capital."

In addition to assuming about \$4.5 million in 1,200 deposit accounts, The First National Bank of Dwight has agreed to pay the FDIC a purchase premium of \$185,000. The assuming bank also will purchase the failed bank's installment loans, real estate loans and certain other assets for \$2.1 million. To facilitate the transaction, the FDIC will advance cash amounting to \$2.3 million and will retain assets of the failed bank with a book value of about \$2.7 million.

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The FDIC approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the Corporation. The Board of Directors made such a finding in this case because of the premium paid by The First National Bank of Dwight.

The FDIC expects to recover a substantial 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 the shareholders of the closed bank.

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