



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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## FDIC ANNOUNCES DEPOSIT ASSUMPTION OF STATE BANK OF FARMERSVILLE, FARMERSVILLE, ILLINOIS

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of State Bank of Farmersville, Farmersville, Illinois, have been assumed by The Litchfield Bank and Trust, Litchfield, Illinois. The failed bank's only office will reopen on Monday, August 12, 1985, as a facility of The Litchfield Bank and Trust and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

State Bank of Farmersville was closed on Friday, August 9, 1985, by William C. Harris, Illinois Commissioner of Banking, and the FDIC was named receiver.

The Litchfield Bank and Trust will assume about \$11.0 million in 3,100 deposit accounts and has agreed to pay the FDIC a purchase premium of \$801,000. It also will purchase certain of the failed bank's loans and other assets for \$6.8 million. To facilitate the transaction, the FDIC will advance \$4.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.4 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 Litchfield Bank and Trust.

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 shareholders of the closed bank.

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