FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF
MISSOURI DELTA BANK, HAYTI, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Missouri Delta Bank, Hayti, Missouri, have been assumed by Bank of Hayti, Hayti, Missouri. The failed bank's sole office will reopen on Thursday, August 29, 1985, as a branch of Bank of Hayti and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Missouri Delta Bank was closed on Wednesday, August 28, 1985, by Missouri Commissioner of Finance Thomas B. Fitzsimmons, and the FDIC was named receiver. Mr. Fitzsimmons said: "The bank became insolvent because of lax lending practices not related to agricultural loans, but resulting from poor lending and collection practices."

Bank of Hayti will assume about $7.4 million in 1,900 deposit accounts and has agreed to pay the FDIC a purchase premium of $353,000. It also will purchase certain of the failed bank's loans and other assets for $5.3 million. To facilitate the transaction, the FDIC will advance $1.8 million to the assuming bank and will retain assets of the failed bank with a book value of about $2.9 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 Bank of Hayti.

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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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