FOR IMMEDIATE RELEASE   PR-156-85 (10-11-85)

FDIC ANNOUNCES DEPOSIT ASSUMPTION OF
THE FIRST NATIONAL BANK OF ST. JOSEPH, ST. JOSEPH, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The First National Bank of St. Joseph, St. Joseph, Missouri, have been assumed by Commerce Bank of St. Joseph, N.A., St. Joseph, Missouri.

The failed bank's three offices will reopen at 10 a.m. on Tuesday, October 15, 1985, as branches of Commerce Bank of St. Joseph, N.A. and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The First National Bank of St. Joseph was closed on Friday, October 11, 1985, by Michael Patriarca, Deputy Comptroller of the Currency, and the FDIC was named receiver.

Commerce Bank of St. Joseph, N.A. will assume about $150.7 million in 29,600 deposit accounts, including approximately $1.2 million in excess of the federal insurance limit of $100,000. The assuming bank has agreed to pay the FDIC a purchase premium of $3,285,000 and also will purchase certain of the failed bank's loans and other assets for $67.9 million. To facilitate the transaction, the FDIC will advance $98.8 million to the assuming bank and will retain assets of the failed bank with a book value of about $111.1 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 Commerce Bank of St. Joseph, N.A.

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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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