



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF THE CLARKSDALE BANK OF CLARKSDALE, CLARKSDALE, MISSOURI

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

The failed bank's only office will reopen on Friday, November 22, 1985, as a branch of United Missouri Bank of St. Joseph and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Clarksdale Bank of Clarksdale was closed on Thursday, November 21, 1985, by Thomas B. Fitzsimmons, Missouri Commissioner of Finance, and the FDIC was named receiver. Mr. Fitzsimmons said: "The bank became insolvent due to loan losses. The majority of the loan losses were not attributable to the agricultural sector, but were the result of poor lending practices and ineffective management of the bank."

United Missouri Bank of St. Joseph will assume about \$5.7 million in 1,700 deposit accounts and has agreed to pay the FDIC a purchase premium of \$2,000. It also will purchase certain of the failed bank's loans and other assets for \$4.3 million. To facilitate the transaction, the FDIC will advance \$3.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.2 million. Total assets of the failed bank amounted to \$8.5 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 United Missouri Bank of St. Joseph.

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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