



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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## FDIC APPROVES DEPOSIT ASSUMPTION OF LAKE NATIONAL BANK, LAKE OZARK, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Lake National Bank, Lake Ozark, Missouri, by The Central Trust Bank, Jefferson City, Missouri.

The failed bank's two offices will reopen on Saturday, December 14, 1985, as branches of The Central Trust Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Lake National Bank was closed on Friday, December 13, 1985, by H. Joe Selby, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

The Central Trust Bank will assume about \$17.5 million in 3,900 deposit accounts and has agreed to pay the FDIC a purchase premium of \$61,000. It also will purchase certain of the failed bank's loans and other assets for \$12.7 million. To facilitate the transaction, the FDIC will advance \$5.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.8 million. Total assets of the failed bank amounted to \$19.5 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 The Central Trust Bank.

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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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