



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF INDIAN SPRINGS STATE BANK, KANSAS CITY, KANSAS, TO THE BROTHERHOOD BANK AND TRUST COMPANY, KANSAS CITY, KANSAS

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits of the Indian Springs State Bank, Kansas City, Kansas, to The Brotherhood Bank and Trust Company, Kansas City, Kansas. The two offices of the closed bank will reopen at normal hours on Monday, January 30, 1984.

All insured deposits in Indian Springs State Bank will be immediately available to their owners, checks drawn on Indian Springs accounts will continue to be honored, and customers who had interest-bearing accounts in Indian Springs will continue to earn interest according to the terms of their deposit contracts.

Insured deposits in Indian Springs amounted to \$25.7 million in 4,200 accounts, including \$10.1 million in deposits acquired from various brokers. Approximately \$800,000 of the bank's deposits exceeded the insurance limit of \$100,000. Their owners will share proportionately with the FDIC and any other uninsured general creditors in the proceeds realized from liquidation of the failed bank's assets. The Brotherhood Bank's administration of the deposits transferred to it will be funded by a purchase of the failed bank's installment loans and certain other assets and an \$18.4 million cash payment from the FDIC. The Brotherhood Bank is paying a premium of \$338,500 to the FDIC for the right to receive the transferred deposits.

Indian Springs State Bank was closed on January 27, 1984, by Eugene C. Hegarty, Kansas State Bank Commissioner, and the FDIC was named receiver. Mr. Hegarty said: "Losses exhausted the bank's capital funds."

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The FDIC Board of Directors decided that it was impractical to arrange an assumption of all deposits by another institution due to a large volume of potential contingent claims. Instead of directly paying depositors up to the insured limit, the FDIC elected to make the insured deposits available to their owners by transferring their accounts to The Brotherhood Bank.

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