FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF HERITAGE BANK OF BUREAU COUNTY, DEPUE, ILLINOIS

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Heritage Bank of Bureau County, DePue, Illinois, have been assumed by The Colonial Trust and Savings Bank of Bureau County, a newly-chartered subsidiary of Colonial Bancorporation, Inc., Peru, Illinois. The failed bank's two offices will reopen on Friday, February 10, 1984, as The Colonial Trust and Savings Bank of Bureau County, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Heritage Bank was closed on February 8, 1984, by Illinois Commissioner of Banks and Trust Companies William C. Harris and the FDIC was named receiver. Mr. Harris said: "The bank has been operated in an unsafe and unsound manner and its capital was impaired."

The deposit assumption was made possible with assistance from the FDIC and avoids the necessity for a payoff of the 2,100 accounts in the failed bank.

In addition to assuming about $8 million in deposits and other liabilities, The Colonial Trust and Savings Bank has agreed to pay the FDIC a purchase premium of $151,000. The assuming bank will purchase the failed bank's installment loans and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to $3.6 million to the assuming bank and will retain assets of the failed bank with a book value of approximately $4.4 million. The FDIC approved the deposit assumption under its authority

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to do so whenever it determines that such a transaction will reduce the potential loss to the Corporation. The Board of Directors made such a finding in this case because of the premium paid by The Colonial Trust and Savings Bank. 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 the shareholders of the closed bank.

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