



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF THE MISSISSIPPI BANK, JACKSON, MISSISSIPPI

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The Mississippi Bank, Jackson, Mississippi, have been assumed by Grenada Bank, Grenada, Mississippi. The failed bank's 14 offices will reopen on Monday, May 14, as branches of Grenada Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Mississippi Bank was closed on May 11, 1984, by Jean S. Porter, Mississippi Commissioner of the Department of Banking and Consumer Finance and the FDIC was named receiver. Ms. Porter attributed the failure to unsafe and unsound banking practices.

In addition to assuming about \$167.6 million in 37,000 deposit accounts and other liabilities, Grenada Bank has agreed to pay the FDIC a purchase premium of \$11,040,066.67. 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 \$38.8 million to the assuming bank and will retain assets of the failed bank with a book value of approximately \$120.1 million.

The FDIC approved the deposit assumption under its authority 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 Grenada 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 shareholders of the closed bank.

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