



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-96-84 (8-9-84)

**FDIC ANNOUNCES DEPOSIT ASSUMPTION OF
JACKSON COUNTY NATIONAL BANK, TUCKERMAN, ARKANSAS**

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of the Jackson County National Bank, Tuckerman, Arkansas, have been assumed by First State Bank of Newport, Newport, Arkansas. The failed bank's sole office will reopen on Friday, August 10, 1984, as a branch of First State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Jackson County National Bank was closed on August 9, 1984, by H. Joe Selby, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver. Mr. Selby said: "Over the past several years the bank experienced significant deterioration in its loan portfolio. Unable to remedy its problems, the bank's losses finally exhausted the bank's capital funds resulting in its insolvency."

In addition to assuming about \$13.2 million in 4,200 deposit accounts, including \$1.3 million (9.7 percent) in accounts placed by deposit brokers, First State Bank has agreed to pay the FDIC a purchase premium of \$653,000. 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 \$7.7 million and will retain assets of the failed bank with a book value of approximately \$8.4 million.

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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 First State 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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