



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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## FDIC ANNOUNCES DEPOSIT ASSUMPTION OF THE FIRST STATE BANK, THAYER, KANSAS

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The First State Bank, Thayer, Kansas, have been assumed by First State Bank, Thayer, Kansas, a newly-chartered subsidiary of Thayer Bancshares, Inc., Thayer, Kansas. The failed bank's sole office will reopen on Friday, August 24, 1984, as First State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The First State Bank was closed on August 22, 1984, by Kansas State Bank Commissioner Eugene C. Hegarty, and the FDIC was named receiver. Mr. Hegarty said: "the bank experienced substantial deterioration in the quality of its non-agricultural loan portfolio."

In addition to assuming about \$11 million in 2,600 deposit accounts, First State Bank has agreed to pay the FDIC a purchase premium of \$262,000. 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 \$6.0 million and will retain assets of the failed bank with a book value of approximately \$7.2 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 First State 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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