



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF DAVID CITY BANK, DAVID CITY, NEBRASKA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of David City Bank, David City, Nebraska, have been assumed by The First National Bank of Omaha, Omaha, Nebraska, a subsidiary of First National of Nebraska, Omaha, Nebraska. The failed bank's sole office will reopen on Friday, September 7, 1984, as a branch of The First National Bank of Omaha and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

David City Bank was closed on September 6, 1984, by Nebraska Director of Banking and Finance Roger M. Beverage, and the FDIC was named receiver. Mr. Beverage said: "The owners of the bank were unable to come up with the additional capital needed as a result of extensive loan losses. The bank has been struggling in a down agricultural economy and this factor was paramount in causing its insolvency."

In addition to assuming about \$17.4 million in 4,400 deposit accounts, The First National Bank of Omaha has agreed to pay the FDIC a purchase premium of \$808,000. 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 \$11.2 million and will retain assets of the failed bank with a book value of approximately \$13.1 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 The First National Bank of Omaha.

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 non-depositor creditors and shareholders of the closed bank.

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