



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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## FDIC ANNOUNCES DEPOSIT ASSUMPTION OF BANK OF VERDIGRE & TRUST CO., VERDIGRE, NEBRASKA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of the Bank of Verdigre & Trust Co., Verdigre, Nebraska, have been assumed by The National Bank of Neligh, Neligh, Nebraska. The failed bank's sole office will reopen on Thursday, September 20, 1984, as a branch of The National Bank of Neligh, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Verdigre & Trust Co. was closed on September 19, 1984, by Nebraska Director of Banking and Finance Roger M. Beverage, and the FDIC was named receiver. Mr. Beverage said: "The department was forced to close the Bank of Verdigre & Trust Co. today because the bank had insufficient capital. Its resulting problems were due primarily to the inability of absentee management to properly attend to the business of the bank on a continual basis."

In addition to assuming about \$12.6 million in 3,500 deposit accounts, The National Bank of Neligh has agreed to pay the FDIC a purchase premium of \$251,600. 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 \$8.1 million and will retain assets of the failed bank with a book value of approximately \$8.7 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 National Bank of Neligh.

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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