



NEWS RELEASE

FOR IMMEDIATE RELEASE*

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF THE FARMERS & MERCHANTS BANK, TECUMSEH, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The Farmers & Merchants Bank, Tecumseh, Oklahoma, have been assumed by Republic Bank of Tecumseh, a newly-chartered subsidiary of Republic Bancshares, Inc., Oklahoma City, Oklahoma. The failed bank will reopen on Saturday, October 6, 1984, as Republic Bank of Tecumseh, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Farmers & Merchants Bank was closed on October 5, 1984, by Oklahoma Bank Commissioner Robert Y. Empie, and the FDIC was named receiver. Mr. Empie said the bank's capital funds were exhausted beyond the point of insolvency, and the bank's unsound condition required it to be closed.

In addition to assuming about \$28 million in 5,500 deposit accounts, Republic Bank of Tecumseh has agreed to pay the FDIC a purchase premium of \$826,000. 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 \$16.2 million and will retain assets of the failed bank with a book value of approximately \$18.1 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 Republic Bank of Tecumseh.

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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 non-depositor creditors and shareholders of the closed bank.

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