



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF ONEIDA BANK & TRUST COMPANY, ONEIDA, TENNESSEE

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Oneida Bank & Trust Company, Oneida, Tennessee, have been assumed by The Energy Bank, Oak Ridge, Tennessee, a subsidiary of Tennessee Eastern Bancshares, Inc., Oak Ridge, Tennessee. The failed bank's sole office will reopen on Monday, October 15, 1984, as a branch of The Energy Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Oneida Bank & Trust Company was closed on October 12, 1984, by Tennessee Commissioner of Financial Institutions William C. Adams and the FDIC was named receiver. Mr. Adams said the bank failed because of excessive loan losses.

In addition to assuming about \$4.9 million in 2,000 deposit accounts, The Energy Bank has agreed to pay the FDIC a purchase premium of \$75,000. The assuming bank will purchase the failed bank's securities and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to \$4.3 million and will retain assets of the failed bank with a book value of approximately \$4.4 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 The Energy 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 the shareholders of the closed bank.

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