FDIC NEWS RELEASE

FEDERAL DEPOSIT INSURANCE CORPORATION

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FDIC TRANSFERS INSURED DEPOSITS OF THE DAYTON BANK & TRUST COMPANY, DAYTON, TENNESSEE, TO FIRST NATIONAL BANK AND TRUST COMPANY, ROCKWOOD, TENNESSEE

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits and fully secured or preferred deposits of The Dayton Bank & Trust Company, Dayton, Tennessee, to First National Bank and Trust Company, Rockwood, Tennessee, a subsidiary of Roane County Bancorp, Inc., Rockwood, Tennessee. The Dayton Bank & Trust Company's three offices will reopen on Monday, December 3, 1984, as branches of First National Bank and Trust Company.

Deposits in The Dayton Bank & and Trust Company up to the statutory insurance limit of $100,000 will be available to their owners immediately. Checks drawn on The Dayton Bank & Trust Company accounts will continue to be honored, and customers who had interest-bearing accounts in the failed bank will continue to earn interest on such deposits.

Even though insured Dayton Bank & Trust Company depositors can automatically continue to conduct their banking transactions with First National Bank and Trust Company for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationships with First National Bank and Trust Company. From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

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The Dayton Bank & Trust Company was closed on November 30, 1984, by William C. Adams, Tennessee Commissioner of Financial Institutions, and the FDIC was named receiver. Commissioner Adams said that excessive loan losses were the primary reason for the bank's insolvency.

At the time the bank closed, its total deposits amounted to $45.7 million in 14,000 accounts, including about $482,000 in 15 accounts that exceeded the federal insurance limit of $100,000. Administration of the insured deposits transferred to First National Bank and Trust Company will be funded by an equivalent cash payment from the FDIC. First National Bank and Trust Company is paying the FDIC a premium of $2,035,000 for the right to receive the transferred deposits and will purchase The Dayton Bank & Trust Company's real estate and installment loans and certain other assets totalling $29.7 million.

Owners of uninsured deposits will share proportionately with the FDIC and other uninsured general creditors in the proceeds realized from the liquidation of the failed bank's assets. The FDIC Board announced that the FDIC will make a prompt advance payment early next week to uninsured depositors and other general creditors, based on the estimated present value of assets to be liquidated, equal to 75 percent of their uninsured claims.

If actual collections on the assets, on a present value basis, exceed this estimate, uninsured creditors ultimately will receive additional payments on their claims. The estimate for the advance is believed to be conservative, and it is hoped that actual collections will be higher. If, however, the present value of actual collections should be less than 75 percent, the FDIC insurance fund will absorb the shortfall.

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The FDIC Board of Directors decided to arrange an insured deposit transfer and cash advance rather than a standard purchase and assumption or merger transaction due to the existence of an unusually large amount of contingent or off-balance-sheet claims. Under a recent court decision in Tennessee, which the FDIC intends to appeal, these contingent claims would have been given equal status with depositor claims if a merger transaction had been arranged. This circumstance precluded the FDIC Board from making the requisite statutory finding that a merger would likely be less expensive to the FDIC than an insured deposit payoff. The 75 percent cash advance to uninsured depositors and other general creditors is intended to substantially alleviate any hardship to these creditors.

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