FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF UEHLING STATE BANK, UEHLING, NEBRASKA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits and fully secured or preferred deposits of Uehling State Bank, Uehling, Nebraska, to a newly-chartered state bank operating under the same name. The failed bank's sole office will reopen on Friday, December 21, 1984, as Uehling State Bank.

Deposits in the failed bank up to the statutory insurance limit of $100,000 will be available to their owners immediately. Checks drawn on the failed bank's 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 depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new bank. 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.

The Uehling State Bank was closed on December 18, 1984, by Roger M. Beverage, Nebraska Director of Banking and Finance, and the FDIC was named receiver. Mr. Beverage said that an examination revealed a number of apparent criminal irregularities, leading his department to conclude that the business of the bank was being conducted in an unsafe and unsound manner, endangering the interests of its depositors.

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At the time the bank closed, its insured deposits amounted to $3.3 million in 1,150 accounts, plus about $437,000 in three accounts that exceeded the federal insurance limit of $100,000. Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of $57,250 for the right to receive the transferred deposits, and will purchase other assets of the failed bank totalling $911,000.

Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

The FDIC Board of Directors decided to arrange an insured deposit transfer because of the apparent irregularities discovered by examiners and because of a substantial volume of undetermined losses in the bank.

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