



NEWS RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF ATKINSON TRUST & SAVINGS BANK,
ATKINSON, ILLINOIS, TO BANK OF ATKINSON, N.A., ATKINSON, ILLINOIS

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits of the Atkinson Trust & Savings Bank, Atkinson, Illinois, to Bank of Atkinson, N.A., Atkinson, Illinois, a newly-chartered subsidiary of Farmers National Bancorp, Inc., Geneseo, Illinois. The sole office of the closed bank will reopen at normal hours on Monday, November 28, 1983.

All insured deposits in Atkinson Trust & Savings Bank will be immediately available to their owners, checks drawn on Atkinson accounts will continue to be honored, and customers who had interest-bearing accounts in Atkinson will continue to earn interest according to the terms of their deposit contracts.

Insured deposits in Atkinson amounted to \$18.6 million in 3,900 accounts. Approximately \$65,000 of the bank's deposits exceeded the insurance limit of \$100,000. Their owners will share proportionately with the FDIC and any other uninsured general creditors in the proceeds realized from liquidation of the bank's assets. Bank of Atkinson's administration of the deposits transferred to it will be funded by an equivalent cash payment from the FDIC. Bank of Atkinson is paying a premium of \$1,510,000 to the FDIC for the right to receive the transferred deposits.

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Atkinson Trust & Savings Bank was closed on November 22, 1983, by William C. Harris, Illinois Commissioner of Banks and Trust Companies, and the FDIC was named receiver. Commissioner Harris said: "Following a thorough examination which began November 14, 1983, and subsequent monitoring, it was determined that the bank had been operated in an unsafe and unsound manner, that its capital was impaired and that an emergency existed."

The FDIC Board of Directors decided that it was impractical to arrange a normal assumption of all deposits by another institution due to the potential for a large volume of contingent claims. Instead of directly paying depositors up to the insured limit, the FDIC elected to make the insured deposits available to their owners by transferring their accounts to Bank of Atkinson. This represented the second use of a procedure authorized by Section 11(f) of the Federal Deposit Insurance Act and the first time a premium was received by the FDIC for the transfer of insured deposits. The first time the procedure was used was in July of this year when the insured deposits of Union National Bank of Chicago were transferred to Seaway National Bank, Chicago, Illinois.
