



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE  
February 13, 2009

Media Contact:  
David Barr (202) 898-6992  
Cell: (703) 622-4790  
E-mail: dbarr@fdic.gov

## **Heritage Bank, Wood River, Nebraska, Assumes All the Deposits of Sherman County Bank, Loup City, Nebraska**

Sherman County Bank, Loup City, Nebraska, was closed today by the Nebraska Department of Banking and Finance, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Heritage Bank, Wood River, Nebraska, to assume all of the deposits of Sherman County Bank.

Due to the observance of Presidents' Day on Monday, Sherman County Bank's four offices, including those that operated under the name Howard County Bank, will reopen on Tuesday as branches of Heritage Bank. Depositors of Sherman County Bank will automatically become depositors of Heritage Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers of both banks should continue to use their existing branches until Heritage Bank can fully integrate the deposit records of Sherman County Bank.

Over the weekend, depositors of Sherman County Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of February 12, 2009, Sherman County Bank had total assets of approximately \$129.8 million and total deposits of \$85.1 million. Heritage Bank will pay the FDIC a premium of six percent. In addition to assuming all of the deposits of Sherman County Bank, Heritage Bank agreed to purchase approximately \$21.8 million in assets, comprised mainly of cash, cash equivalents and marketable securities. The FDIC will retain the remaining assets for later disposition.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-20-2009

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-823-5346. The phone number will be operational this evening until 9 p.m., CST; on Saturday from 9 a.m. to 6 p.m., CST; on Sunday from noon to 6 p.m., CST; and thereafter from 8 a.m. to 8 p.m., CST. Customers who would like more information about today's transaction can also visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/sherman.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund will be \$28.0 million. Heritage Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's Deposit Insurance Fund compared to alternatives. Sherman County Bank is the tenth bank to fail in the nation this year. The last institution to fail in Nebraska was Equitable Savings and Loan, Columbus, on February 16, 1990.