



# PRESS RELEASE

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

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## **Clayton Bank and Trust, Knoxville, Tennessee, Assumes All of the Deposits of the Farmers Bank of Lynchburg, Lynchburg, Tennessee**

### FOR IMMEDIATE RELEASE

The Farmers Bank of Lynchburg, Lynchburg, Tennessee, was closed today by the Tennessee Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Clayton Bank and Trust, Knoxville, Tennessee, to assume all of the deposits of The Farmers Bank of Lynchburg.

The four branches of The Farmers Bank of Lynchburg will reopen during their normal business hours beginning Saturday as branches of Clayton Bank and Trust, including the one branch that operates as First State Bank, Chapel Hill, Tennessee, and the two branches that operate as Oakland Deposit Bank, Oakland, Tennessee. Depositors will automatically become depositors of Clayton Bank and Trust. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of The Farmers Bank of Lynchburg should continue to use their existing branch until they receive notice from Clayton Bank and Trust that it has completed systems changes to allow other Clayton Bank and Trust branches to process their accounts as well.

This evening and over the weekend, depositors of The Farmers Bank of Lynchburg 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.



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-71-2012

As of March 31, 2012, The Farmers Bank of Lynchburg had approximately \$163.9 million in total assets and \$156.4 million in total deposits. Clayton Bank and Trust will pay the FDIC a premium of 0.10 percent to assume all of the deposits of The Farmers Bank of Lynchburg. In addition to assuming all of the deposits of the failed bank, Clayton Bank and Trust agreed to purchase essentially all of the assets.

Customers with questions about today's transaction should call the FDIC toll-free at 1-800-774-8035. The phone number will be operational this evening until 9:00 p.m., Central Daylight Time (CDT); on Saturday from 9:00 a.m. to 6:00 p.m., CDT; on Sunday from noon to 6:00 p.m., CDT; on Monday from 8 a.m. to 8 p.m., CDT; and thereafter from 9:00 a.m. to 5:00 p.m., CDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/farmersbank.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$28.3 million. Compared to other alternatives, Clayton Bank and Trust's acquisition was the least costly resolution for the FDIC's DIF. The Farmers Bank of Lynchburg is the 31st FDIC-insured institution to fail in the nation this year, and the third in Tennessee. The last FDIC-insured institution closed in the state was Tennessee Commerce Bank, Franklin, on January 27, 2012.

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