



NEWS RELEASE

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FDIC ANNOUNCES SALE OF MISSOURI BRIDGE BANK, N.A.;
ADDS TO PREVIOUS PAYMENT OF UNINSURED DEPOSITORS

The FDIC announced today the sale of Missouri Bridge Bank, N.A., established by the agency in November to continue the banking services of the closed Metro North State Bank and The Merchants Bank, both of Kansas City, Missouri.

The bridge bank, with total assets of \$1.1 billion, is being sold to Boatmen's First National Bank of Kansas City, Kansas City, Missouri. Depositors of the bridge bank automatically will become depositors of Boatmen's.

The FDIC established the bridge bank on November 13, 1992, to assume insured deposits, certain other liabilities and most of the assets of Metro North State Bank, which was closed by the Missouri Commissioner of Finance. The bridge bank assumed insured deposits, certain other liabilities and most assets of The Merchants Bank after it was closed by the Commissioner on November 20, 1992. Bridge banks are chartered by the Office of the Comptroller of the Currency and insured by the FDIC.

The transaction with Boatmen's is structured as follows:

- Boatmen's will assume all deposits, totaling about \$1.1 billion in about 111,000 deposit accounts. It will pay the FDIC a bid amount of \$15.8 million for the right to assume the bank's deposits and will share in certain expected losses of the bridge bank.

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- Boatmen's will purchase \$1.1 billion of the bank's assets. It will purchase at book value all assets except securities (which are sold at market value) and premises and equipment. Boatmen's has an option to acquire premises and equipment at certain prices designed to reflect their fair market value.
- The FDIC receivership will retain \$690 million of assets from the former failed banks.

As part of the transaction, Boatmen's will be provided with a five-year loss-sharing arrangement on approximately \$983.0 million in multi-family residential, commercial real estate, construction and commercial and industrial loans. During the five-year period, the FDIC will reimburse Boatmen's for 80 percent of net charge-offs on these assets; Boatmen's will absorb the remaining 20 percent. The FDIC has agreed that if net charge-offs exceed \$92.0 million, the FDIC will increase its coverage to 95 percent of additional net charge-offs on these assets and Boatmen's will absorb the remaining five percent. During this period and for two years thereafter, the FDIC will receive 80 percent of all recoveries of charged-off assets. The loss-sharing arrangement is expected to maximize returns on the assets covered by the arrangement by keeping these assets in the private sector. The agreement also is expected to minimize disruption for the loan customers involved.

As a result of a combination of the premium paid and the acquiring institution's willingness to share in certain future losses on the failed banks' assets as described above, the FDIC estimates that the loss to the Bank Insurance Fund (BIF) for this resolution will total \$168.8 million. FDIC

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officials cautioned that this resolution cost estimate depends on future events and conditions involving collections and disposition of assets.

The FDIC Board also announced today that certain uninsured depositors and creditors of the two banks that failed in November will receive additional payments due to the bids received. At the time both banks closed, only deposits within the \$100,000 federal insurance limit were transferred to the bridge bank. At that time, the FDIC declared immediate advance dividends equal to 50 percent of uninsured claims.

The FDIC Board today approved an additional advance dividend of 10 cents on the dollar to uninsured depositors of Metro North State Bank and 25 cents on the dollar to uninsured depositors of The Merchants Bank. Based on actual recoveries from the two failed banks, uninsured depositors ultimately may receive additional payments on their claims.

Although the FDIC has approved the purchase of Missouri Bridge Bank by Boatmen's, the bridge bank will not be transferred until required regulatory waiting periods have expired. The FDIC anticipates that the bridge bank will be transferred to Boatmen's by the end of April.

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