



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF KEMPTON STATE BANK, KEMPTON, ILLINOIS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Kempton State Bank, Kempton, Illinois, by Vermilion Valley Bank, Piper City, Illinois.

The failed bank's sole office will reopen on Saturday, February 8, 1992, as a branch of Vermilion Valley Bank, and its depositors automatically will become depositors of the assuming bank.

Kempton State Bank, with total assets of \$3.6 million, was closed on Friday, February 7, 1992, by Robert Piel, Illinois Commissioner of Banks and Trust Companies, and the FDIC was named receiver.

Vermilion Valley Bank will assume about \$3.6 million in about 770 deposit accounts and will purchase approximately \$3.1 million of the failed bank's assets at a discount of \$150,000.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. The transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Vermilion Valley Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

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