



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-156-92 (11-13-92)

Media Contacts:
David Barr (816) 223-7383 (in K.C.)
Andrew Porterfield (202) 898-6593

FDIC ESTABLISHES NEW BRIDGE BANK TO ASSUME METRO NORTH STATE BANK, KANSAS CITY, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation has established a new, full-service bridge bank to assume the insured deposits and certain other liabilities and assets of Metro North State Bank, Kansas City, Missouri.

The action took place after Earl Manning, Missouri Commissioner of Finance, closed Metro North State Bank this evening. The new bridge bank, Missouri Bridge Bank, National Association, was chartered by the Office of the Comptroller of the Currency and is insured by the FDIC. This action was taken after the Commissioner of Finance determined that Metro North was insolvent and named the FDIC as receiver.

The former Metro North will reopen on Monday, November 16, doing business as "New Metro North." Depositors also will have access to their accounts over the weekend by check or automated teller machine. Loan customers of the banks should continue to make payments according to the terms and conditions of their loan agreements.

As of September 30, the failed bank's assets totaled \$472 million and deposits totaled \$494 million in about 64,000 accounts. The FDIC will seek proposals for the acquisition of the new bridge bank and expects to return it to the private sector in four to six months.

Metro North depositors within the \$100,000 deposit insurance limit were fully protected, and their insured deposits were transferred to the new bank.

(more)

Deposits in excess of the \$100,000 insurance limit, totaling about \$5.0 million in about 600 accounts, were not transferred to the new bank. These depositors will receive an advance dividend check equal to 50 percent of their uninsured funds. If actual collections on the sale of the failed bank's assets exceed this recovery estimate, uninsured depositors ultimately will receive additional payments on their claims. The Board of Directors determined that had the FDIC absorbed the uninsured depositors' share of the losses in these banks, the transaction would not have resulted in the "least costly" resolution required by law.

Checks for the advance dividend on uninsured deposits will be mailed to those customers by Tuesday, November 17. If customers believe there is a discrepancy in the check amount or have questions regarding uninsured deposits, they should call the FDIC at 1-800-947-6144 or 1-800-395-7730, ext. 2064.

W. Ronald Dietz has been appointed president and chief executive officer of the bridge bank by the FDIC. Mr. Dietz has more than 23 years experience in the banking industry, most recently as president and CEO of American Savings Bank, White Plains, New York. He was recruited with the approval of banking regulators to attempt to restore the \$4 billion New York savings bank back to health just prior to its closing in June 1992.

The FDIC is required under the FDIC Improvement Act of 1991 to handle failing bank situations in the manner which is the least costly to the Bank Insurance Fund. The FDIC board concluded that the establishment of the new bridge bank was the least costly option available and will facilitate the orderly sale of the failed institution.