



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES THE ASSUMPTION OF THE INSURED DEPOSITS OF THE MERCHANTS BANK, KANSAS CITY, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits and certain other liabilities and assets of The Merchants Bank, Kansas City, Missouri, by Missouri Bridge Bank, National Association.

The action took place after Earl Manning, Missouri Commissioner of Finance, closed The Merchants Bank today. Missouri Bridge Bank, National Association, was chartered by the Office of the Comptroller of the Currency and acquired Metro North State Bank, Kansas City, Missouri, which was closed on Friday, November 13.

The former Merchants Bank will reopen on Monday, November 23, doing business as "New Merchants Bank." Depositors will have uninterrupted access to their accounts 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 \$1.5 billion and deposits totaled \$1.4 billion in about 70,000 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.

The Merchants Bank depositors within the \$100,000 deposit insurance limit were fully protected, and their insured deposits were transferred to the new bank. Deposits in excess of the \$100,000 insurance limit, totaling about

(more)

\$100 million in 2,900 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 24, 1992. 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.

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 this transaction was the least costly option available and will facilitate the orderly sale of the failed institution.

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