



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-174-90 (8-31-90)

FDIC TRANSFERS INSURED DEPOSITS OF
BAY CITY BANK & TRUST CO., BAY CITY, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred liabilities of Bay City Bank & Trust Co., Bay City, Texas, to First State Bank and Trust Company, Port Lavaca, Texas. The failed bank's sole office will reopen as a branch of First State Bank and Trust Company.

The Board of Directors decided to arrange an insured deposit transfer because the FDIC was unable to quantify the value of the failed bank's assets.

Bay City Bank & Trust Co., with total assets of about \$75.9 million, was closed on Thursday, August 30, 1990, by Kenneth W. Littlefield, Banking Commissioner, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$72.4 million in 8,100 deposit accounts, including approximately \$1.3 million in 74 accounts that exceeded the federal insurance limit of \$100,000. The FDIC notes its claim and the claims of uninsured depositors will have priority over the claims of nondepositor creditors and shareholders of the closed bank in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Saturday, September 1, 1990, or sooner if possible. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they

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should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC, net of the book value of the assets purchased by the agent bank. The acquiring bank is paying the FDIC a premium of \$1,020,000 for the right to receive the transferred deposits. It also will purchase certain assets of the failed bank, including installment loans of approximately \$3.8 million, and will have options to purchase other loans and assets of the failed bank. The FDIC will retain assets of the failed bank with a book value of \$51.2 million.

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