



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-178-90 (9-12-90)

FDIC GRANTS ASSISTANCE TO PREVENT FAILURE OF
THE PAWNEE NATIONAL BANK, PAWNEE, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today announced it has granted financial assistance under Section 13(c) of the Federal Deposit Insurance Act to prevent the default of The Pawnee National Bank, Pawnee, Oklahoma. The transaction is effective September 12, 1990.

The FDIC acted following notification by the Office of the Comptroller of the Currency that The Pawnee National Bank was in danger of failing. The FDIC considered open and closed proposals within a competitive bidding process. The FDIC Board of Directors determined that this transaction will be less costly to the FDIC than alternative methods of addressing the bank's problems.

The bank is being acquired by a group of local investors through a newly formed holding company, Pawnee Holding Company, Inc., Pawnee, Oklahoma. As a result of this transaction, all deposit and loan customers of The Pawnee National Bank will be afforded uninterrupted service. As of June 30, 1990, The Pawnee National Bank reported total assets of about \$14.2 million and total deposits of about \$14.6 million.

The FDIC's financial assistance consists of \$2.5 million to offset current and future potential losses in the bank. An additional \$1 million capital injection will be provided by the proponents of the transaction to restore capital to an acceptable level.

The FDIC will recover a portion of its outlay through recoveries from assets covered by the assistance agreement and through future profits of the

(more)

bank, including profits generated should there be a sale of any interest in the institution. The responsibility for pursuing collections and claims will remain with the bank.

###