



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF  
FARMERS STATE BANK OF MADISONVILLE, MADISONVILLE, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Farmers State Bank of Madisonville, Madisonville, Texas, by First Bank, Katy, Texas. The failed bank's sole office will reopen on Friday, November 30, 1990, as a branch of First Bank, and its depositors automatically will become depositors of the assuming bank.

Farmers State Bank of Madisonville, with total assets of about \$35.2 million, was closed on Thursday, November 29, 1990, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

First Bank will assume about \$34.7 million in 4,000 deposit accounts. It also will purchase approximately \$30.0 million of the failed bank's assets, including \$4.6 million of the bank's commercial and real estate loans at a discount of \$400,000.

To facilitate the transaction the FDIC will advance \$5.3 million to the assuming bank and will retain assets of the failed bank with a book value of \$5.2 million.

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 FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

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