



NEWS RELEASE

FOR IMMEDIATE RELEASE

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**FDIC APPROVES DEPOSIT ASSUMPTION OF
FIRST NATIONAL BANK OF CEDAR PARK, CEDAR PARK, TEXAS**

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of First National Bank of Cedar Park, Cedar Park, Texas, by Union National Bank of Texas, Austin, Texas.

The failed bank's sole office will reopen on Friday, January 20, 1989, as a branch of Union National Bank of Texas and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First National Bank of Cedar Park, with total assets of about \$18.6 million, was closed on Thursday, January 19, 1989, by Dean S. Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Union National Bank of Texas will assume about \$18.5 million in 3,400 deposit accounts and will purchase approximately \$10.9 million of the failed bank's assets, including \$1.3 million of the bank's small loans, at a discount of \$305,100.

To facilitate the transaction the FDIC will advance \$8.4 million to the assuming bank and will retain assets of the failed bank with a book value of \$7.8 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 shareholders of the closed bank.

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