



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF CITIZENS STATE BANK, EARTH, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Citizens State Bank, Earth, Texas, by The First State Bank of Dimmitt, Dimmitt, Texas.

The failed bank's sole office will reopen on Friday, January 27, 1989, as a branch of The First State Bank of Dimmitt and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Citizens State Bank, with total assets of about \$15.7 million, was closed on Thursday, January 26, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

The First State Bank of Dimmitt will assume about \$14.9 million in 1,900 deposit accounts and will purchase \$13.9 million of the failed bank's assets at a discount of \$4,351,557. The FDIC will retain assets of the failed bank with a book value of about \$1.8 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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by The First State Bank of Dimmitt, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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