



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-48-89 (3-9-89)

FDIC APPROVES DEPOSIT ASSUMPTION OF LAKEWAY NATIONAL BANK, AUSTIN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of Lakeway National Bank, Austin, Texas, by First Commercial Bank, National Association, Seguin, Texas.

The failed bank's sole office will reopen on Friday, March 10, 1989, as a branch of First Commercial Bank, National Association, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Lakeway National Bank, with total assets of about \$17 million, was closed on Thursday, March 9, 1989, by Judith Walter, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

First Commercial Bank, National Association, will assume about \$17.0 million in 4,200 deposit accounts and will pay the FDIC a premium of \$14,750. It also will purchase \$13.5 million of the failed bank's assets, including \$351,000 in small loans.

To facilitate the transaction the FDIC will advance \$3.6 million to the assuming bank and will retain assets of the failed bank with a book value of \$3.6 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.

###