



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF HELOTES STATE BANK, HELOTES, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Helotes State Bank, Helotes, Texas, by Bank of Leon Springs, San Antonio, Texas.

The failed bank's sole office will reopen on Friday, June 16, 1989, as a branch of Bank of Leon Springs and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Helotes State Bank, with total assets of \$20.4 million, was closed on Thursday, June 15, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Bank of Leon Springs will assume about \$19.7 million in 3,300 deposit accounts and will purchase \$18.8 million of the failed bank's assets at a discount of \$4,887,000. The FDIC will retain assets of the failed bank with a book value of \$1.6 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 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 Bank of Leon Springs, the failed bank's customers will have the benefit of continuous uninterrupted service.

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