



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF NEW ULM STATE BANK, NEW ULM, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of New Ulm State Bank, New Ulm, Texas, by Industry State Bank, Industry, Texas.

The failed bank's sole office will reopen on Friday, June 30, 1989, as a branch of Industry State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

New Ulm State Bank, with total assets of \$12.2 million, was closed on Thursday, June 29, 1989, by Kenneth W. Littlefield, Texas Bank Commissioner, and the FDIC was named receiver.

Industry State Bank will assume about \$11.8 million in 2,400 deposit accounts and will purchase approximately \$10.5 million of the failed bank's assets at a discount of \$2,359,000. The FDIC will retain assets of the failed bank with a book value of about \$1.7 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 Industry State Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

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