



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-184-89 (9-14-89)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF
MEDCENTRE BANK, NATIONAL ASSOCIATION, SAN ANTONIO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of Medcentre Bank, National Association, San Antonio, Texas, by First City, Texas-San Antonio, National Association, San Antonio, Texas. The failed bank's two offices will reopen on Friday, September 15, 1989, as branches of First City, Texas-San Antonio, National Association and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Medcentre Bank, National Association, with total assets of about \$31.4 million, was closed on Thursday, September 14, 1989, by Judith Walter, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

First City, Texas-San Antonio, National Association will assume about \$30.9 million in 2,300 deposit accounts and will pay the FDIC a purchase premium of \$255,000. It also will purchase approximately \$21.2 million of the failed bank's assets, including \$1.8 million of the bank's small loans.

To facilitate the transaction the FDIC will advance \$9.6 million to the assuming bank and will retain assets of the failed bank with a book value of \$10.2 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.

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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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