



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
BEAUMONT BANK - NATIONAL ASSOCIATION, BEAUMONT, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Beaumont Bank - National Association, Beaumont, Texas, by Texas Commerce Bank - Beaumont, National Association, Beaumont, Texas.

The failed bank's sole office will not reopen, but its depositors automatically will become depositors of the assuming bank. Depositors will have access to their funds on Friday, October 20, 1989, at Texas Commerce Bank - Beaumont, National Association, located at 510 Park Street, Beaumont, Texas.

Beaumont Bank - National Association, with total assets of \$24.9 million, was closed on Thursday, October 19, 1989, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Texas Commerce Bank - Beaumont, National Association, will assume about \$22.5 million in 2,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$25,000. It also will initially purchase \$6.3 million of the failed bank's assets and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$16.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$18.6 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.

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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 nondepositor creditors and shareholders of the closed bank.

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