



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF FIRST NATIONAL BANK OF FRISCO, FRISCO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of First National Bank of Frisco, Frisco, Texas, by Hibernia National Bank in Texas, Pflugerville, Texas. The failed bank's two offices will reopen on Friday, December 8, 1989, as branches of Hibernia National Bank in Texas, and its depositors automatically will become depositors of the assuming bank.

First National Bank of Frisco, with total assets of about \$8.7 million, was closed on Thursday, December 7, 1989, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Hibernia National Bank in Texas will assume about \$8.9 million in 2,600 deposit accounts and will pay the FDIC a purchase premium of \$313,000. It also will purchase approximately \$7.2 million of the failed bank's assets, including \$539,000 million of the bank's small loans.

To facilitate the transaction the FDIC will advance \$1.4 million to the assuming bank and will retain assets of the failed bank with a book value of \$1.5 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 nondeposito creditors and shareholders of the closed bank.