



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF THE FIRST NATIONAL BANK OF SKIATOOK, SKIATOOK, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of The First National Bank of Skiatook, Skiatook, Oklahoma, by American Exchange Bank, Collinsville, Oklahoma.

The failed bank's only office will reopen on Friday, January 16, 1987, as a branch of American Exchange Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The First National Bank of Skiatook, with total assets of \$14.8 million, was closed on Thursday, January 15, 1987, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency and the FDIC was named receiver.

American Exchange Bank will assume about \$13.8 million in 2,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$250,011. It also will purchase certain of the failed bank's loans and other assets for \$9.5 million. To facilitate the transaction, the FDIC will advance \$4.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$5.3 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 Board made such a finding in this case because of the premium paid by American Exchange Bank.

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.