



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST NATIONAL BANK OF CROSBY, CROSBY, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of First National Bank of Crosby, Crosby, Texas, by a newly-chartered subsidiary of Central Bancshares of the South, Inc., Birmingham, Alabama. This new institution will retain the same name as the failed bank.

The failed bank's only office will reopen on Friday, February 27, 1987, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First National Bank of Crosby, with total assets of \$8.2 million, was closed on Thursday, February 26, 1987, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

The new bank will assume about \$8.1 million in 1,900 deposit accounts and has agreed to pay the FDIC a purchase premium of \$409,500. It also will purchase certain of the failed bank's loans and other assets for \$5.7 million. To facilitate the transaction, the FDIC will advance about \$2.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$2.5 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 Board made such a finding in this case because of the premium paid by the assuming 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.

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