



# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-124-87 (7-9-87)

## FDIC APPROVES DEPOSIT ASSUMPTION OF RED OAK STATE BANK, RED OAK, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Red Oak State Bank, Red Oak, Texas, by The Red Oak State Bank, a newly-chartered subsidiary of ROSB Bancorp, Inc., Red Oak, Texas.

The failed bank's sole office will reopen on Friday, July 10, 1987, as The Red Oak State Bank, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Red Oak State Bank, with total assets of about \$40.5 million, was closed on Thursday, July 9, 1987, by Kenneth W. Littlefield, Texas State Bank Commissioner, and the FDIC was named receiver.

The Red Oak State Bank will assume about \$37.7 million in 8,300 deposit accounts and will purchase \$33.1 million of the failed bank's assets at a discount of \$6.3 million. The FDIC will retain approximately \$7.4 million of the failed bank's loans.

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 transaction will result in a substantially lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the deposits and the majority of the assets will be administered by The Red Oak State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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