



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC TRANSFERS INSURED DEPOSITS OF BANK OF GRANITE, GRANITE, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of the Bank of Granite, Granite, Oklahoma, to Farmers and Merchants Bank, Maysville, Oklahoma. The failed bank's sole office will reopen on Friday, July 31, 1987, as a branch of Farmers and Merchants Bank.

The Board of Directors decided to arrange an insured deposit transfer because of an inability to evaluate the quality of the bank's loan portfolio.

Bank of Granite, with total assets of \$13.9 million, was closed on Thursday, July 30, 1987, by Wayne H. Osborn, Oklahoma Bank Commissioner, and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about \$12.7 million in 1,800 deposit accounts including \$109,000 in 9 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners immediately. Checks drawn on the failed bank's accounts will continue to be honored.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new bank. From the standpoint of customer convenience and service, it would be

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preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of \$118,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$3.4 million.

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