



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF THE FIRST NATIONAL BANK OF LUTHER, LUTHER, 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 Luther, Luther, Oklahoma, by First Wagoner Bank and Trust Company, Wagoner, Oklahoma.

The failed bank's sole office will reopen on Friday, August 14, 1987, as a branch of First Wagoner Bank and Trust Company, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The First National Bank of Luther, with total assets of \$17.8 million, was closed on Thursday, August 13, 1987, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

First Wagoner Bank and Trust Company will assume about \$17.6 million in 2,700 deposit accounts and has agreed to pay the FDIC a purchase premium of \$20,000. It immediately will purchase certain of the failed bank's assets for \$2.7 million. To facilitate the transaction, the FDIC will advance about \$14.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$15.1 million. First Wagoner Bank and Trust Company will have an option to purchase any of the assets retained by the FDIC. The exercise of this option is expected to reduce the FDIC's net cash outlay.

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.

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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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