



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF CITIZENS BANK OF KREBS, KREBS, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred liabilities of the Citizens Bank of Krebs, Krebs, Oklahoma, to First National Bank & Trust Company of McAlester, McAlester, Oklahoma. The failed bank's sole office will not reopen. Its depositors will have access to their funds, up to the insurance limit, at the main office of First National Bank & Trust Company of McAlester in McAlester, beginning Friday, October 9, 1987.

The Board of Directors decided to arrange an insured deposit transfer because of an inability to quantify the asset quality or determine the extent of the liabilities of the bank.

Citizens Bank of Krebs, with total assets of \$14.2 million, was closed on Thursday, October 8, 1987, by Wayne H. Osborn, Oklahoma Bank Commissioner, and the FDIC was named receiver.

Commissioner Osborn said both the Citizens Bank of Krebs and the United Services Bank of Hartshorne, Oklahoma, which also closed today, had common ownership and many common borrowers from "out-of-territory." He noted that losses in these loans had exhausted the banks' capital.

At the time the bank closed, its deposits totalled about \$13.2 million in 1,300 deposit accounts including \$28,000 in 32 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

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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 acquiring bank. From the standpoint of customer convenience and service, it would be 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 transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$75,101 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$9.1 million.

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