



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST AMERICAN BANK AND TRUST OF BAYTOWN, BAYTOWN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of First American Bank and Trust of Baytown, Baytown, Texas, by Citizens Bank and Trust Company of Baytown, Baytown, Texas.

The failed bank's sole office will not reopen. However, its customers can transact their business at the main office of Citizens Bank and Trust Company, 1300 Rollingbrook, Baytown, beginning Friday, March 11, 1988. All depositors of the failed bank will automatically become depositors of the assuming bank, subject to approval by the appropriate court.

First American Bank and Trust of Baytown, with total assets of \$39.8 million, was closed on Thursday, March 10, 1988, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Citizens Bank and Trust Company of Baytown will assume about \$38.5 million in 6,000 deposit accounts. It also will purchase \$24.8 million of the failed bank's loans and other assets, including approximately \$2.5 million of smaller loans purchased at a discount of \$450,000. To facilitate the transaction, the FDIC will advance about \$14.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$15.0 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.

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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 nondepositor creditors and shareholders of the closed bank.

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