



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST BANK & TRUST, TOMBALL, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of First Bank & Trust, Tomball, Texas, by The Hamilton National Bank, Hamilton, Texas.

The failed bank's sole office will reopen on Friday, April 1, 1988, as a branch of The Hamilton National Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First Bank & Trust, with total assets of \$62.7 million, was closed on Thursday, March 31, 1988, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

The Hamilton National Bank will assume about \$56.7 million in 10,700 deposit accounts. It also will purchase approximately \$36.5 million of the failed bank's loans and other assets, including \$3.8 million in small loans at a discount of \$230,000. To facilitate the transaction, the FDIC will advance about \$23.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$26.3 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.

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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