FOR IMMEDIATE RELEASE   PR-108-88 (5-26-88)

FDIC TRANSFERS INSURED DEPOSITS OF
THE FIRST STATE BANK, ROCKWALL, TEXAS

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 First State Bank, Rockwall, Texas, to Community Bank, Rockwall, Texas, a newly-chartered subsidiary of Community Bankers, Inc., Granbury, Texas. The failed bank's sole office will reopen on Friday, May 27, 1988, as Community Bank.

The Board of Directors decided to arrange an insured deposit transfer because of an inability to determine the exact value of the bank's assets.

The First State Bank, with total assets of about $39.2 million, was closed on Thursday, May 26, 1988, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about $38.6 million in 6,500 deposit accounts including $1.9 million in 53 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 on Friday, May 27, 1988. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they

-more-

should visit the acquiring bank during the next several weeks to discuss the continuation of their banking relationship.

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 $620,000 for the right to receive the transferred deposits, and will purchase assets of the failed bank for $9.2 million.

###