



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-112-88 (6-2-88)

### FDIC APPROVES DEPOSIT ASSUMPTION OF GUARANTY BANK, DALLAS, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Guaranty Bank, Dallas, Texas, by The Red Oak State Bank, Red Oak, Texas.

The failed bank's sole office will reopen on Friday, June 3, 1988, as a branch of The Red Oak State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Guaranty Bank, with total assets of about \$81.8 million, was closed on Thursday, June 2, 1988, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

The Red Oak State Bank will assume about \$73.7 million in 10,200 deposit accounts and will purchase all of the failed bank's assets at a discount of \$34.9 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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by The Red Oak State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

###