



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF KINGSLAND NATIONAL BANK, KINGSLAND, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Kingsland National Bank, Kingsland, Texas, by Security Bank and Trust, Fredericksburg, Texas.

The failed bank's sole office will reopen on Friday, June 17, 1988, as a branch of Security Bank and Trust and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Kingsland National Bank, with total assets of about \$13.7 million, was closed on Thursday, June 16, 1988, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Security Bank and Trust will assume about \$13.2 million in 1,700 deposit accounts and will purchase all of the failed bank's assets at a discount of \$4,607,000.

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 Security Bank and Trust, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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