



NEWS RELEASE

FOR IMMEDIATE RELEASE

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

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of Texas National Bank, Victoria, Texas, by Texas National Bank of Victoria, Victoria, Texas, a newly-chartered subsidiary of Lone Star Bancshares, Inc., Victoria, Texas.

The failed bank's sole office will reopen on Friday, June 24, 1988, as Texas National Bank of Victoria and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Texas National Bank, with total assets of about \$12.5 million, was closed on Thursday, June 23, 1988, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Texas National Bank of Victoria will assume about \$12.7 million in 2,200 deposit accounts and will purchase \$12.2 million of the failed bank's assets at a discount of \$2.8 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 Texas National Bank of Victoria, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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