



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-159-88 (8-18-88)

FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST NATIONAL BANK AUSTIN, AUSTIN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of First National Bank Austin, Austin, Texas, by First State Bank, Austin, Texas.

The failed bank's sole office will reopen on Friday, August 19, 1988, as a branch of First State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First National Bank Austin, with total assets of about \$26.6 million, was closed on Thursday, August 18, 1988, by Kevin M. Blakely, Deputy Comptroller of the Currency, and the FDIC was named receiver.

First State Bank will assume about \$26.4 million in 1,500 deposit accounts and will purchase \$26.1 million of the failed bank's assets at a discount of \$10,971,250.

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 First State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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