



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-212-88 (11-17-88)

### FDIC APPROVES DEPOSIT ASSUMPTION OF EAST TEXAS STATE BANK, BUNA, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of East Texas State Bank, Buna, Texas, by The First National Bank of Bonham, Bonham, Texas.

The failed bank's sole office will reopen on Friday, November 18, 1988, as a branch of The First National Bank of Bonham and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

East Texas State Bank, with total assets of about \$21.8 million, was closed on Thursday, November 17, 1988, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

The First National Bank of Bonham will assume about \$20.7 million in 5,800 deposit accounts and will purchase approximately \$13.9 million of the failed bank's assets, including \$1.4 million of the bank's small loans at a discount of \$148,500.

To facilitate the transaction the FDIC will advance \$7.0 million to the assuming bank and will retain assets of the failed bank with a book value of \$7.9 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.

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The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

FDIC APPROVES DEPOSIT ASSUMPTION OF  
FIRST TEXAS BANK BY FIRST NATIONAL BANK OF DALLAS, TEXAS  
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The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of First Texas Bank, Dallas, Texas, by the First National Bank of Dallas, Texas, as a member of the Federal Reserve System. The FDIC notes that the FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

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