



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-213-88 (11-17-88)

FDIC APPROVES DEPOSIT ASSUMPTION OF THE BANK OF KERRVILLE, KERRVILLE, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of The Bank of Kerrville, Kerrville, Texas, by Bank of Kerrville, Kerrville, Texas, a newly-chartered subsidiary of Premier Bancshares, Inc., Victoria, Texas.

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

The Bank of Kerrville, with total assets of about \$39.9 million, was closed on Thursday, November 17, 1988, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Bank of Kerrville will assume about \$32.5 million in 3,300 deposit accounts and will purchase \$35.6 million of the failed bank's assets at a discount of \$7.8 million. The FDIC will retain \$4.4 million of the failed bank's assets.

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

###