



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST NATIONAL BANK IN CENTER, CENTER, 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 in Center, Center, Texas, by Citizens Bank, Kilgore, Texas.

The failed bank's sole office will reopen on Friday, December 16, 1988, as a branch of Citizens Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First National Bank in Center, with total assets of about \$26.5 million, was closed on Thursday, December 15, 1988, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Citizens Bank will assume about \$25.8 million in 3,700 deposit accounts and will purchase approximately \$19.0 million of the failed bank's assets, including \$1,480,000 of the bank's small loans, at a discount of \$496,000.

To facilitate the transaction the FDIC will advance \$7.5 million to the assuming bank and will retain assets of the failed bank with a book value of \$7.5 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 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 shareholders of the closed bank.

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