



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-235-88 (12-16-88)

FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST SOUTHWEST BANK, ELDORADO, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of First Southwest Bank, Eldorado, Oklahoma, by First State Bank and Trust Company, Hollis, Oklahoma.

The failed bank's two offices will reopen on Monday, December 19, 1988, as branches of First State Bank and Trust Company and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First Southwest Bank, with total assets of about \$10.0 million, was closed on Friday, December 16, 1988, by Wayne H. Osborn, Oklahoma Bank Commissioner, and the FDIC was named receiver.

First State Bank and Trust Company will assume about \$9.8 million in 3,100 deposit accounts and will purchase \$8.5 million of the failed bank's assets at a discount of \$1,523,000. The FDIC will retain assets of the failed bank with a book value of \$1.6 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 First State Bank and Trust Company, the failed bank's customers will have the benefit of continuous, uninterrupted service.

###