FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

FOR IMMEDIATE RELEASE PR-132-86 (8-14-86)

FDIC TRANSFERS INSURED DEPOSITS OF CITIZENS NATIONAL BANK AND TRUST COMPANY, OKLAHOMA CITY, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits and fully secured or preferred deposits of Citizens National Bank and Trust Company, Oklahoma City, Oklahoma, to The Liberty National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma. The failed bank's two offices will reopen on Monday, August 18, 1986, as branches of The Liberty National Bank and Trust Company.

The Board of Directors decided to arrange an insured deposit transfer because no acceptable bids were received for a merger.

Citizens National Bank and Trust Company, with total assets of $165.9 million, was closed on Thursday, August 14, 1986, by Dean S. Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver. Mr. Marriott said: "The bank's condition deteriorated significantly over the past four years as a result of unsafe and unsound lending practices of former management and inadequate oversight by the bank's board of directors. Weaknesses in the Oklahoma economy also adversely affected the bank."

At the time the bank closed, its deposits totalled about $157.5 million in 19,800 deposit accounts including $3.7 million in 87 accounts that exceeded the federal insurance limit of $100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of $100,000 will be available to their owners immediately. Checks drawn on the failed bank's accounts will continue to be honored.

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Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new bank. From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent payment from the FDIC. The new bank is paying the FDIC a premium of $175,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for $28.0 million.

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