FDIC NEWS RELEASE

FEDERAL DEPOSIT INSURANCE CORPORATION

FOR IMMEDIATE RELEASE   PR-147-86 (9-11-86)

FDIC APPROVES DEPOSIT ASSUMPTION OF
CENTRAL BANK AND TRUST OF TULSA, TULSA, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Central Bank and Trust of Tulsa, Tulsa, Oklahoma, by The F&M Bank and Trust Company, Tulsa, Oklahoma.

The failed bank's two offices will reopen on Friday, September 12, 1986, as branches of The F&M Bank and Trust Company, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Central Bank and Trust of Tulsa, with total assets of $76.5 million, was closed on Wednesday, September 10, 1986, by Oklahoma Bank Commissioner Robert Y. Empie and the FDIC was named receiver. Mr. Empie said: "Present ownership was unwilling or unable to replenish capital lost through risky lending and weak collection practices. Loan losses were general commercial, and not attributable to energy or agriculture."

The F&M Bank and Trust Company will assume about $54.5 million in 10,800 deposit accounts and has agreed to pay the FDIC a purchase premium of $407,000. It also will purchase certain of the failed bank's loans and other assets for $43.6 million. To facilitate the transaction, the FDIC will advance $28.3 million to the assuming bank and will retain assets of the failed bank with a book value of about $32.9 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. The Board made such a finding in this case because of the premium paid by The F&M Bank and Trust Company.

-more-

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.

###