



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF BANK OF COMMERCE AND TRUST COMPANY, TULSA, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Bank of Commerce and Trust Company, Tulsa, Oklahoma, by The First National Bank and Trust Company of Tulsa, Tulsa, Oklahoma.

The failed bank's two offices will reopen on Friday, May 9, 1986, as branches of The First National Bank and Trust Company of Tulsa and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Commerce and Trust Company, which had total assets of \$173.4 million, was closed on Thursday, May 8, 1986, by Robert Y. Empie, Oklahoma State Bank Commissioner, and the FDIC was named receiver. Mr. Empie said: "Extremely aggressive growth and lending practices of a testy board of directors, during 1979 through 1985, resulted in a disastrous condition of the bank's assets. The bank's adjusted capital at closing was a negative \$5.1 million. The bank's one-bank holding company was likewise insolvent. Current management was overwhelmed by problems created by former directors and management."

The First National Bank and Trust Company of Tulsa will assume about \$126.0 million in 12,300 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,010,000. It also will purchase certain of the failed bank's loans and other assets for \$34.9 million. To facilitate the transaction, the FDIC will advance \$130 million to the assuming bank and will retain assets of the failed bank with a book value of about \$138.5 million.

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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 First National Bank and Trust Company of Tulsa.

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.

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