



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF SECURITY BANK & TRUST COMPANY, MIDWEST CITY, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Security Bank & Trust Company, Midwest City, Oklahoma, have been assumed by Security Bank of Midwest City, Midwest City, Oklahoma, a newly-chartered state bank. The failed bank's two offices will reopen on Friday, August 9, 1985, as offices of Security Bank of Midwest City and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Security Bank & Trust Company was closed on Thursday, August 8, 1985, by Oklahoma Bank Commissioner Robert Y. Empie and the FDIC was named receiver.

Security Bank of Midwest City will assume about \$29.7 million in 8,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$868,000. It also will purchase certain of the failed bank's loans and other assets for \$22.1 million. To facilitate the transaction, the FDIC will advance \$7.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$8.2 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 Security Bank of Midwest City.

The FDIC expects to recover a substantial 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.