



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF FIRST NATIONAL BANK,
SNYDER, TEXAS, TO AMERICAN STATE BANK OF SNYDER

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of both insured and secured deposits of First National Bank, Snyder, Texas, to American State Bank of Snyder, a newly-formed subsidiary of American State Financial Corporation, Lubbock, Texas. First National Bank's sole office will reopen on Monday, May 7, 1984, as American State Bank of Snyder.

Deposits in First National Bank, up to the statutory insurance limit of \$100,000, will be immediately available to their owners. Checks drawn on First National Bank accounts will continue to be honored, and customers who had interest-bearing accounts in First National Bank will continue to earn interest on such deposits.

Even though insured First National Bank depositors can automatically continue to conduct their banking transactions with American State Bank, they are encouraged to visit the bank during the next 30 days to discuss the continuation of their banking relationship with American State Bank.

First National Bank was closed on May 4, 1984, by Acting Comptroller of the Currency H. Joe Selby and the FDIC was named receiver. Mr. Selby said: "Lack of available funds to meet depositor demands, coupled with loan losses, necessitated a declaration of insolvency."

Insured deposits in First National Bank amounted to \$15.2 million in 3,400 accounts. American State Bank's administration of the deposits transferred to it will be funded by an equivalent cash payment from the FDIC. American State Bank is paying the FDIC a premium of \$962,000 for the right to receive the transferred deposits. American State Bank will purchase First National Bank's installment loans and certain other assets totalling \$6.8 million.

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First National Bank held approximately \$347,000 in deposits in 29 accounts that exceeded the \$100,000 insurance limit and were not secured. Owners of these deposits will share proportionately with the FDIC and any other uninsured general creditors in the proceeds realized from liquidation of the bank's assets. The FDIC Board announced that the FDIC will make a prompt advance payment early next week to uninsured depositors and general creditors, based on the estimated present value of assets to be liquidated, equal to 40 percent of their uninsured claims.

If actual collections on the assets, on a present value basis, exceed this estimate, uninsured creditors ultimately will receive additional payments on their claims. The estimate for the advance is believed to be conservative, and it is hoped that actual collections will be higher. If, however, the present value of actual collections should be less than 40 percent, the FDIC insurance fund will absorb the shortfall.

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