



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF
UNITED BANK, NATIONAL ASSOCIATION, LANCASTER, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of United Bank, National Association, Lancaster, Texas, by Kilgore First National Bank, Kilgore, Texas.

The failed bank's sole office will reopen on Friday, March 19, 1993, as a branch of Kilgore First National, and its depositors automatically will become depositors of the assuming bank.

United Bank, with total assets of \$46.2 million, was closed on Thursday, March 18, 1993, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Kilgore First National will assume about \$45.5 million in about 9,100 deposit accounts. At the time the bank closed, about \$714,000 in 30 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by Kilgore First National.

The assuming bank will pay a premium of \$151,000 for the right to receive the failed bank's deposits and will purchase \$44.6 million of the failed bank's assets. The FDIC will retain assets of the failed bank with a book value of about \$2.5 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. Non-depositor creditors and uninsured depositors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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