



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF FIRST STATE BANK, VEGA, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of First State Bank, Vega, Texas, by Citizens State Bank of Dalhart, Dalhart, Texas.

The failed bank's sole office will reopen on Friday, April 2, 1993, as a branch of Citizens State Bank, and its depositors automatically will become depositors of the assuming bank.

First State Bank, with total assets of \$15.7 million, was closed on Thursday, April 1, 1993, by Catherine A. Ghiglieri, Texas Bank Commissioner, and the FDIC was named receiver.

Citizens State Bank will assume about \$16.4 million in about 2,600 deposit accounts. At the time the bank closed, about \$406,000 in 26 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by Citizens State Bank.

The acquiring bank will pay a premium of \$603,000 for the right to receive the failed bank's deposits and will purchase \$3.2 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$10.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$14.4 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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