



NEWS RELEASE

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PR-103-93 (8-25-93)

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF TARRANT BANK, FORT WORTH, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Tarrant Bank, Fort Worth, Texas, by First Interstate Bank of Texas, N.A., Houston, Texas.

Of the failed bank's four offices, three will reopen on Thursday, August 26, 1993, as branches of First Interstate. The office at 605 East Berry Street will not reopen, but customers can get access to their accounts at the failed bank's main office at 1001 East Berry Street. The failed bank's depositors automatically will become depositors of the assuming bank.

Tarrant Bank, with total assets of \$63.9 million, was closed on Wednesday, August 25, 1993, by Catherine A. Ghiglieri, Texas Bank Commissioner, and the FDIC was named receiver.

First Interstate Bank will assume about \$58.7 million in about 10,700 deposit accounts. At the time the bank closed, about 76 accounts totaling \$1.2 million exceeded the federal insurance limit of \$100,000 and will not be assumed by First Interstate.

The Board of Directors also voted to make a prompt advance payment to uninsured depositors which will equal 52 percent of uninsured claims. FDIC claims agents will be available at the failed bank's main office to arrange payment of checks beginning Thursday, August 26, 1993.

The assuming bank will pay a premium of \$2.9 million for the right to receive the failed bank's deposits and will purchase \$19.7 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance

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about \$35.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$44.2 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. Pursuant to federal law, the FDIC notes that its claim on recoveries from the sale of the bank's assets will have priority over non-depositor creditors of the failed bank.

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