



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF SOUTHSIDE NATIONAL BANK, NACOGDOCHES, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Southside National Bank, Nacogdoches, Texas, by Ferdonia State Bank, Nacogdoches, Texas.

Southside National, with total assets of \$11.1 million, was closed on Thursday, March 19, 1992, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

The failed bank's sole office will reopen on Friday, March 20, 1992, as a branch of Ferdonia State Bank, and its depositors automatically will become depositors of the assuming bank.

Ferdonia State Bank will assume about \$10.8 million in 2,200 deposit accounts. It also will purchase \$6.2 million of the failed bank's loans and other assets at a discount of \$149,000. To facilitate the transaction, the FDIC will advance about \$5.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.9 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 FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank.

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