



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE FIRST NATIONAL BANK OF YORKTOWN, YORKTOWN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of The First National Bank of Yorktown, Yorktown, Texas, by Citizens Bank, Kilgore, Texas.

The First National Bank of Yorktown, with total assets of \$32.9 million, was closed today by the Comptroller of the Currency, and the FDIC was named receiver. The failed bank's one office will reopen on Friday, September, 11, 1992, as a branch of Citizens Bank, and its depositors automatically will become depositors of the assuming bank.

Citizens Bank will assume about \$32.8 million in about 4,600 deposit accounts. The acquirer did not assume approximately \$360,000 in 32 accounts that exceeded the federal insurance limit of \$100,000. Citizens Bank will pay a net premium of \$274,000 for the right to receive the failed bank's insured deposits and purchase approximately \$16.3 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$15.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$17 million.

The FDIC Board of Directors also voted to make an advance payment to unsecured creditors, including uninsured depositors, equal to 31 percent of the uninsured claims. If actual collections on the assets exceed this initial payment, uninsured depositors will ultimately receive additional payments on their claim. The Board 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.

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