



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES ASSUMPTION OF DEPOSITS OF FIRST NATIONAL BANK IN KAUFMAN, KAUFMAN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of First National Bank in Kaufman, Kaufman, Texas, by The Farmers & Merchants National Bank, Kaufman, Texas.

First National Bank in Kaufman, with total assets of \$22.0 million, was closed on Thursday, February 7, 1991, 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, February 8, 1991, as a branch of The Farmers & Merchants National Bank, and its depositors automatically will become depositors of the assuming bank.

The Farmers & Merchants National Bank will assume about \$20.8 million in 5,000 deposit accounts. It also will purchase certain of the failed bank's assets, including \$4.9 million in loans at a \$561,000 discount, and will have options to purchase other loans and assets. To facilitate the transaction, the FDIC will advance about \$4.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$5.4 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. The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank.

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