



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-23-91 (2-14-91)

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

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of The First National Bank of Wortham, Wortham, Texas, by Farmers State Bank, Groesbeck, Texas.

The First National Bank of Wortham, with total assets of \$8.0 million, was closed on Thursday, February, 14, 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 15, 1991, as a branch of Farmers State Bank, and its depositors automatically will become depositors of the assuming bank.

Farmers State Bank will assume about \$8.0 million in 1,800 deposit accounts. It also will purchase \$5.0 million of the failed bank's assets, including \$1.0 million in loans at a discount of \$45,000, and will have options to purchase other loans and assets. To facilitate the transaction, the FDIC will advance about \$3.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.0 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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