



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF CHIRENO STATE BANK, CHIRENO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Chireno State Bank, Chireno Texas, by The First State Bank, Gladewater, Texas.

Chireno State Bank, with total assets of \$12.8 million, was closed on Thursday, May 9, 1991, by Kenneth W. Littlefield, Texas Bank Commissioner, and the FDIC was named receiver.

The failed bank's sole office will reopen on Friday, May 10, 1991, as a branch of The First State Bank and its depositors automatically will become depositors of the assuming bank.

The First State Bank will assume about \$12.3 million in 2,200 deposit accounts and will purchase approximately \$12.8 million of the failed bank's assets at a discount of \$1,554,000.

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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by The First State Bank, Gladewater, Texas, the failed bank's customers will have the benefit of continuous uninterrupted service.

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