



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF TEXAS BANK AND TRUST OF TEMPLE, TEMPLE, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Texas Bank and Trust of Temple, Temple, Texas, by The Peoples National Bank of Belton, Belton, Texas.

Texas Bank and Trust of Temple, with total assets of \$48.4 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 Peoples National Bank of Belton, and its depositors automatically will become depositors of the assuming bank.

The Peoples National Bank of Belton will assume about \$48.0 million in 6,700 deposit accounts and has agreed to pay the FDIC a purchase premium of \$100,000. It also will purchase \$38.0 million of the failed bank's assets including \$6.3 million in loans, and it will have options to purchase other loans and assets. To facilitate the transaction, the FDIC will advance about \$9.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$10.4 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. In this respect, the FDIC notes that its claim will have priority over the claims of non depositor creditors and shareholders of the closed bank.

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