



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-72-91 (5-9-91)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE FIRST NATIONAL BANK OF POTH, POTH, 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 Poth, Poth, Texas, by the Bank of Floresville, Floresville, Texas.

The First National Bank of Poth, with total assets of \$19.3 million, was closed on Thursday, May 9, 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, May 10, 1991, as a branch of the Bank of Floresville, and its depositors automatically will become depositors of the assuming bank.

The Bank of Floresville will assume about \$19.0 million in 2,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$10,001. It also will purchase \$10.9 million of the failed bank's assets including \$1.9 million in loans and will have options to purchase other assets. To facilitate the transaction, the FDIC will advance about \$8.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$8.4 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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