



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF ALVARADO NATIONAL BANK, ALVARADO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Alvarado National Bank, Alvarado, Texas, by The First National Bank in Joshua, Joshua, Texas.

The failed bank's sole office will reopen on Friday, November 15, 1991, as a branch of The First National Bank, and its depositors automatically will become depositors of the assuming bank.

Alvarado National Bank, with total assets of \$10.2 million, was closed on Thursday, November 14, 1991, by the Office of the Comptroller of the Currency, the FDIC was named receiver.

The First National Bank will assume about \$ 9.4 million in about 2,300 deposit accounts and has agreed to pay the FDIC a purchase premium of \$10,100. It also will purchase \$1.5 million of the failed bank's assets and will have an option to purchase other assets. To facilitate the transaction, the FDIC will advance about \$7.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$8.7 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. Non-depositor creditors of the failed bank will share proportionately with the FDIC in the proceeds realized from the liquidation of assets not transferred to the assuming bank.

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