



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
FARMERS STATE BANK OF BROOKSHIRE, BROOKSHIRE, TEXAS

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

The failed bank's sole office will reopen on Friday, May 25, 1990, as a branch of First Bank, and its depositors automatically will become depositors of the assuming bank.

Farmers State Bank, with total assets of \$21.2 million, was closed on Thursday, May 24, 1990, by Kenneth W. Littlefield, Banking Commissioner, and the FDIC was named receiver.

First Bank will assume about \$20.6 million in 2,800 deposit accounts and will purchase approximately \$18.5 million of the failed bank's assets at a discount of \$1,170,000.

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 First Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

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