



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF BANK OF EAST TEXAS, TYLER, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Bank of East Texas, Tyler, Texas, by Chandler State Bank, Chandler, Texas.

The failed bank's sole office will reopen on Friday, June 22, 1990, as a branch of Chandler State Bank, and its depositors automatically will become depositors of the assuming bank.

Bank of East Texas, with total assets of \$11.5 million, was closed on Thursday, June 21, 1990, by Kenneth W. Littlefield, Banking Commissioner, and the FDIC was named receiver.

Chandler State Bank will assume about \$11.6 million in 2,200 deposit accounts and will purchase approximately \$10.4 million of the failed bank's assets at a discount of \$2,447,000.

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

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