FDIC APPROVES DEPOSIT ASSUMPTION OF
WAXAHACHIE BANK AND TRUST COMPANY, WAXAHACHIE, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has
approved the assumption of the deposit liabilities of Waxahachie Bank and
Trust Company, Waxahachie, Texas, by Merchants State Bank, Dallas, Texas.

The failed bank's two offices will reopen on Friday, September 11, 1987,
as branches of Merchants State Bank and its depositors automatically will
become depositors of the assuming bank, subject to approval by the appropriate
court.

Waxahachie Bank and Trust Company, with total assets of $65.8 million, was
closed on Thursday, September 10, 1987, by Kenneth W. Littlefield, Texas
Banking Commissioner, and the FDIC was named receiver.

Merchants State Bank will assume about $62.3 million in 7,900 deposit
accounts and has agreed to pay the FDIC a purchase premium of $505,000. It
also will purchase certain of the failed bank's loans and other assets for
$35.9 million. To facilitate the transaction, the FDIC will advance about
$26.1 million to the assuming bank and will retain assets of the failed bank
with a book value of about $29.9 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 nondepositor creditors
and shareholders of the closed bank.

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