



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF MEDICAL CENTER STATE BANK, OKLAHOMA CITY, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Medical Center State Bank, Oklahoma City, Oklahoma, by American State Bank, Tulsa, Oklahoma.

The failed bank's sole office will reopen on Friday, October 28, 1988, as a branch of American State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Medical Center State Bank, with total assets of about \$8.6 million, was closed on Thursday, October 27, 1988, by Wayne H. Osborn, Oklahoma Bank Commissioner, and the FDIC was named receiver.

American State Bank will assume about \$8.4 million in 4,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$50,000. It also will purchase \$6.8 million of the failed bank's assets, including \$358,000 in small loans. To facilitate the transaction the FDIC will initially advance \$1.6 million to the assuming bank and will retain assets of the failed bank with a book value of \$1.8 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 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 American State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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