



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE NATIONAL BANK OF WASHINGTON, WASHINGTON, D.C.

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of The National Bank of Washington, Washington, D.C., by The Riggs National Bank of Washington, D.C., Washington, D.C.

The failed bank's 18 offices will reopen on Monday, August 13, 1990, as branches of The Riggs National Bank, and its depositors automatically will become depositors of the assuming bank.

The National Bank of Washington, with total assets of \$1.6 billion, was closed on Friday, August 10, 1990, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

The Riggs National Bank will assume about \$1.0 billion in 91,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$33.0 million. It also will purchase \$1.1 billion of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$404.2 million and will retain assets of the failed bank with a book value of about \$538.9 million.

The Board of Directors approved the purchase and assumption under its authority to do so whenever it determines that such a transaction is reasonably necessary to save the cost of liquidating an institution and will therefore 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.

(more)

The National Bank of Washington was a subsidiary of Washington Bancorporation, which declared bankruptcy on August 1, 1990. Washington Bancorporation's two other bank subsidiaries, The Washington Bank of Maryland, Baltimore, Maryland, and The Washington Bank, Falls Church, Virginia, are unaffected by today's action.

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