



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-165-90 (8-16-90)

**FDIC APPROVES ASSUMPTION OF DEPOSITS OF
CITY NATIONAL BANK, HOUSTON, TEXAS**

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of City National Bank, Houston, Texas, by Charter National Bank - Colonial, Harris County, Texas.

The failed bank's two offices will reopen on Friday, August 17, 1990, as branches of Charter National Bank - Colonial, and its depositors automatically will become depositors of the assuming bank.

City National Bank, with total assets of \$46.6 million, was closed on Thursday, August 16, 1990, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Charter National Bank - Colonial will assume about \$46.3 million in 5,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$238,000. It also will purchase certain of the failed bank's assets and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$36.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$37.1 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.

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