



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF CONTINENTAL NATIONAL BANK, SAN ANTONIO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of Continental National Bank, San Antonio, Texas, by Citizens State Bank of Luling, Luling, Texas.

The failed bank's sole office will reopen on Friday, April 21, 1989, as a branch of Citizens State Bank of Luling and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Continental National Bank, with total assets of about \$12.3 million, was closed on Thursday, April 20, 1989, by Kevin Blakely, Deputy Comptroller of the Currency, and the FDIC was named receiver.

Citizens State Bank of Luling will assume about \$12.1 million in 3,500 deposit accounts. It also will purchase approximately \$8.6 million of the failed bank's assets including \$874,000 of the bank's small loans at a discount of \$56,240.32.

To facilitate the transaction the FDIC will advance \$3.6 million to the assuming bank and will retain assets of the failed bank with a book value of \$3.7 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. ###