



# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-236-89 (12-8-89)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF  
WESTHEIMER MEMORIAL BANK, NATIONAL ASSOCIATION, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Westheimer Memorial Bank, National Association, Houston, Texas, by Hibernia National Bank in Texas, Pflugerville, Texas. The failed bank's sole office will reopen on Saturday, December 9, 1989, as a branch of Hibernia National Bank in Texas, and its depositors automatically will become depositors of the assuming bank.

Westheimer Memorial Bank, National Association, with total assets of about \$50.4 million, was closed on Friday, December 8, 1989, by Senior Deputy Comptroller of the Currency Robert J. Herrmann, and the FDIC was named receiver.

Hibernia National Bank in Texas, Pflugerville, will assume about \$48.2 million in 3,200 deposit accounts and will purchase about \$29.1 million of the failed bank's assets, including \$4.8 million of the bank's small loans, at a discount of \$2.0 million.

To facilitate the transaction the FDIC will advance about \$21.2 million to the assuming bank and will retain assets of the failed bank with a book value of about \$21.4 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.

(more)

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.

#####