



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES ASSUMPTION OF DEPOSITS OF CANYON LAKE BANK, CANYON LAKE, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Canyon Lake Bank, Canyon Lake, Texas, by Victoria Bank & Trust Company - West, New Braunfels, Texas.

The failed bank's main office will reopen on Friday, December 15, 1989, as a branch of Victoria Bank & Trust Company - West. Its Smithson Valley Branch will not reopen. Depositors of Canyon Lake Bank automatically will become depositors of the assuming bank and will have access to their funds at the failed bank's main office.

Canyon Lake Bank, with total assets of about \$32.6 million, was closed on Thursday, December 14, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Victoria Bank & Trust Company - West will assume about \$32.7 million in 4,900 deposit accounts. It also will purchase approximately \$21.6 million of the failed bank's assets, including \$2.4 million of the bank's small loans, at a discount of \$52,000.

To facilitate the transaction the FDIC will advance \$11.1 million to the assuming bank and will retain assets of the failed bank with a book value of \$11 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.

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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.

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