



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC TRANSFERS INSURED DEPOSITS OF WESTERN BANK-WESTHEIMER, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of the Western Bank-Westheimer, Houston, Texas, to Charter National Bank-Houston, Houston, Texas. The failed bank's only office will reopen on Monday, October 5, 1987, as a branch of Charter National Bank-Houston, subject to approval by the appropriate court.

The Board of Directors decided to arrange an insured deposit transfer because no acceptable bids were received for the failed bank.

Western Bank-Westheimer, with total assets of \$290.9 million, was closed on Thursday, October 1, 1987, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about \$259.9 million in 14,459 deposit accounts including about \$35.9 million in 621 accounts that exceeded the federal insurance limit of \$100,000. The uninsured deposits included about \$27.7 million from affiliated banks, Western Bank-North Wilcrest National Association, and Western Bank-Westwood National Association. Both of these Houston-based affiliates also were closed today.

Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

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Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners immediately. Checks drawn on the failed bank's accounts will continue to be honored.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss continuation of their banking relationship. From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of \$4,055,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$45.1 million. In addition, Charter National Bank-Houston will have a 60-day option to purchase additional assets of the failed bank.

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