



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-128-88 (6-23-88)

### FDIC APPROVES DEPOSIT ASSUMPTION OF NORTHWEST BANK AND TRUST, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Northwest Bank and Trust, Houston, Texas, by Northwest Bank, Houston, Texas, a newly-chartered bank.

The failed bank's sole office will reopen on Friday, June 24, 1988, as Northwest Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Northwest Bank and Trust, with total assets of about \$100.9 million, was closed on Thursday, June 23, 1988, by Kenneth W. Littlefield, Texas State Banking Commissioner, and the FDIC was named receiver.

Northwest Bank will assume about \$89.9 million in 10,300 deposit accounts and will purchase \$92.6 million of the failed bank's assets at a discount of \$34.8 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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Northwest Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

###