Industrial Bank Assumes All of the Deposits of City National Bank of New Jersey

WASHINGTON — City National Bank of New Jersey ("City National") in Newark was closed today by the Office of the Comptroller of the Currency, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect depositors, the FDIC entered into a purchase and assumption agreement with Industrial Bank in Washington, D.C. to assume all of the deposits of City National.

The three branches of City National will reopen as branches of Industrial Bank during normal business hours. Depositors of City National will automatically become depositors of Industrial Bank. Because deposits will continue to be insured by the FDIC up to applicable limits, customers do not need to change their banking relationship in order to retain their deposit insurance coverage.

Customers of City National should continue to use their existing branch until they receive notice from Industrial Bank that it has completed systems changes to allow other Industrial Bank branches to process their accounts as well.

This evening and over the weekend, depositors of City National can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of September 30, 2019, City National had approximately $120.6 million in total assets and $111.2 million in total deposits. In addition to assuming all of the deposits of the failed bank, Industrial Bank agreed to purchase essentially all of its assets.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be $2.5 million. Compared to other alternatives, Industrial Bank's acquisition was the least costly resolution for the FDIC's DIF. City National is the fourth FDIC-insured institution to fail in the nation this year. The last bank failure was Resolute Bank in Maumee, Ohio, on October 25. The last FDIC-insured institution closed in New Jersey was Harvest Community Bank in Pennsville, which closed on January 13, 2017.

The overall health of the banking system today remains strong, as reported in the FDIC's most recent Quarterly Banking Profile. On average, there are five bank failures each year in non-crisis times, according to FDIC data. There have been only three years since 1933 without a single bank failure.

Customers with questions about the transaction should call the FDIC toll-free at 1-877-367-2719. The phone number will be operational this evening until 9:00 p.m., Eastern Time (ET); on Saturday from 9:00 a.m. to 6:00 p.m., ET; on Sunday from noon to 6:00 p.m., ET; on Monday from 8:00 a.m. to 8:00 p.m.,

ET; and thereafter from 9:00 a.m. to 5:00 p.m., ET. Interested parties also can visit the FDIC's website at https://www.fdic.gov/bank/individual/failed/citynatl.html.

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