



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF
CASTLE HILLS NATIONAL BANK, SAN ANTONIO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Castle Hills National Bank, San Antonio, Texas, by International Bank of Commerce, Laredo, Texas.

The failed bank's sole office will reopen on Friday, June 26, 1992, as a branch of International Bank of Commerce, and its depositors automatically will become depositors of the assuming bank.

Castle Hills National Bank, with total assets of \$13.6 million, was closed on Thursday, June 25, 1992, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

International Bank of Commerce will assume about \$13.1 million in 2,300 deposit accounts and will purchase approximately \$13.6 million of the failed bank's assets. It will also pay a premium of \$10,000 for the right to receive the failed bank's deposits. At the time the bank closed, it had approximately \$106,000 in 11 accounts that exceeded the federal insurance limit of \$100,000 and will not be assumed by International Bank of Commerce.

The Board of Directors also voted to make a prompt advance payment to unsecured creditors, including uninsured depositors, equal to 87 percent of the uninsured claims. If actual collections on the assets of the failed bank exceed this initial payment, unsecured creditors and uninsured depositors ultimately will receive additional payments on their claim.

The Board of Directors approved the deposit assumption under its

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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 International Bank of Commerce, the failed bank's customers will have the benefit of continuous uninterrupted service.

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