



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF CITADEL BANK, WILLIS, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Citadel Bank, Willis, Texas, by Tomball National Bank, Tomball, Texas.

Citadel Bank, with total assets of \$22.4 million, was closed on Thursday, March 21, 1991, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

The failed bank's two offices will reopen on Friday, March 22, 1991, as branches of Tomball National Bank, and its depositors automatically will become depositors of the assuming bank.

Tomball National Bank will assume about \$21.8 million in 5,300 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,000. It also will purchase \$15.5 million of the failed bank's loans and other assets. To facilitate the transaction, the FDIC will advance about \$6.3 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.9 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 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 non depositor creditors and shareholders of the closed bank.

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