



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-87-91 (6-6-91)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF NORTHWEST BANK, NATIONAL ASSOCIATION, SAN ANTONIO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Northwest Bank, National Association, San Antonio, Texas, by Valley-Hi National Bank of San Antonio, San Antonio, Texas.

The failed bank's sole office will reopen on Friday, June 7, 1991, as a branch of Valley-Hi National Bank of San Antonio, and its depositors automatically will become depositors of the assuming bank.

Northwest Bank, National Association, with total assets of \$7.4 million, was closed on Thursday, June 6, 1991, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Valley-Hi National Bank of San Antonio will assume about \$7.2 million in 2,600 deposit accounts and will purchase \$5.9 million of the failed bank's assets, including \$1.8 million of loans at a discount of \$393,000. To facilitate the transaction, the FDIC will advance about \$1.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$1.5 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. Creditors of the failed bank will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

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