



NEWS RELEASE

FOR IMMEDIATE RELEASE
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Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF DEPOSITS OF UNION BANK, SAN ANTONIO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Union Bank, San Antonio, Texas, by Channelview Bank, Channelview, Texas.

The failed bank's two offices will reopen on Friday, November 1, 1991, as branches of Channelview Bank, and its depositors automatically will become depositors of the assuming bank.

Union Bank, with total assets of \$105.2 million, was closed on Thursday, October 31, 1991, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Channelview Bank will assume about \$102.2 million in 15,700 deposit accounts. It also will purchase \$89.4 million of the failed bank's assets, including \$14.6 million in loans at a discount of \$606,000. To facilitate the transaction, the FDIC will advance about \$13.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$15.8 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 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 nondepositors creditors and shareholders of the closed bank.

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