



NEWS RELEASE

FOR IMMEDIATE RELEASE

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

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Crown Bank, National Association, San Antonio, Texas, by First City, Texas - San Antonio, National Association, San Antonio, Texas.

The failed bank's two offices will not reopen; however, depositors will have access to their funds beginning Friday, March 30, 1990, at First City, Texas' five San Antonio branches. Depositors of Crown Bank, National Association, automatically will become depositors of the assuming bank.

Crown Bank, National Association, with total assets of \$21.8 million, was closed on Thursday, March 29, 1990, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

First City, Texas, will assume about \$20.6 million in 1,000 deposit accounts and has agreed to pay the FDIC a purchase premium of \$5,000. It also will purchase certain of the failed bank's assets and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$11.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$12.5 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. In this respect, the FDIC notes that its claim will have priority over the claims of nondeposito r creditors and shareholders of the closed bank.