



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF WEST BELT NATIONAL BANK, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of West Belt National Bank, Houston, Texas, by Deposit Guaranty Bank, Dallas, Texas.

The failed bank's sole office will reopen on Friday, January 13, 1989, as a branch of Deposit Guaranty Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

West Belt National Bank, with total assets of about \$31.4 million, was closed on Thursday, January 12, 1989, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Deposit Guaranty Bank will assume about \$30.7 million in 2,900 deposit accounts and will purchase approximately \$20.2 million of the failed bank's assets, including \$1.4 million of the bank's small loans at a discount of \$120,000.

To facilitate the transaction the FDIC will advance \$10.7 million to the assuming bank and will retain assets of the failed bank with a book value of \$11.2 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 shareholders of the closed bank.

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