



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF CITIZENS BANK, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Citizens Bank, Houston, Texas, by Deposit Guaranty Bank, Dallas, Texas.

The failed bank's two offices will reopen on Friday, February 10, 1989, as branches of Deposit Guaranty Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Citizens Bank had total assets of about \$112.4 million. Both Citizens Bank and Citizens Bank-Houston, also in Houston, which had common ownership, were closed on Thursday, February 9, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Deposit Guaranty Bank will assume about \$103.7 million in 15,800 deposit accounts and will purchase \$62.4 million of the failed bank's assets at a discount of \$18.1 million. The FDIC will retain assets of the failed bank with a book value of about \$50 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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Deposit Guaranty Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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