



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF SECURITY BANK, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Security Bank, Houston, Texas, by Texas Commerce Bank, National Association, Houston, Texas. The failed bank's two offices will not reopen, but its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court. Depositors will have access to their funds at Texas Commerce Bank, National Association, branches at 7545 Bellfort and 2475 Bay Area Boulevard, Houston, Texas, on Friday, February 17, 1989.

Security Bank, with total assets of \$22.1 million, was closed on Thursday, February 16, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Texas Commerce Bank, National Association, will assume about \$21.5 million in 4,400 deposit accounts and has agreed to pay the FDIC a purchase premium of \$50,200. It also will purchase certain of the failed bank's assets for \$7.3 million and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$14.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$14.8 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 nondepositor creditors and shareholders of the closed bank. ###