



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF INDUSTRIAL 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 Industrial Bank, Houston, Texas, by MetroBank, National Association, Houston, Texas.

The failed bank's sole office will reopen on Friday, March 24, 1989, as a branch of MetroBank, National Association and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Industrial Bank, with total assets of about \$68.7 million, was closed on Thursday, March 23, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

MetroBank, National Association will assume about \$66.2 million in 14,500 deposit accounts and will purchase \$32.6 million of the failed bank's assets at a discount of \$2,587,000. Additionally, MetroBank, National Association will purchase approximately \$26.7 million in securities at current market value. The FDIC will retain assets of the failed bank with a book value of \$9.4 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 MetroBank, National Association, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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