



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF PRESTON NORTH NATIONAL BANK, DALLAS, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of Preston North National Bank, Dallas, Texas, by Sequor National Bank Texas, Dallas, Texas, a newly-chartered national bank subsidiary of Security Pacific Corporation, Los Angeles, California.

The failed bank's sole office will reopen on Friday, June 23, 1989, as Sequor National Bank Texas and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Preston North National Bank, with total assets of \$6.0 million, was closed on Thursday, June 22, 1989, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Sequor National Bank Texas will assume about \$5.8 million in 668 deposit accounts and will purchase approximately \$5.6 million of the failed bank's assets at a discount of \$695,000. The FDIC will retain assets of the failed bank with a book value of about \$400,000.

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 Sequor National Bank Texas, the failed bank's customers will have the benefit of continuous uninterrupted service.

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