



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF THE SOUTHWESTERN BANK, NATIONAL ASSOCIATION, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of The Southwestern Bank, National Association, Houston, Texas, by OMNIBANC North Belt, National Association, Houston, Texas.

The main office of the failed bank will reopen on Friday, April 10, 1987, as a branch of OMNIBANC North Belt, National Association and the depositors of the failed bank automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Southwestern Bank, National Association, with total assets of \$14.8 million, was closed on Thursday, April 9, 1987, by Deborah Hechinger, Deputy Comptroller of the Currency, and the FDIC was named receiver.

OMNIBANC North Belt, National Association will assume about \$14.3 million in 800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$106,500. It also will purchase certain of the failed bank's loans and other assets for \$11.0 million. To facilitate the transaction, the FDIC will advance about \$3.3 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.8 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 Board made such a finding in this case because of the premium paid by OMNIBANC North Belt, National Association.

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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