



PRESS RELEASE

Federal Deposit Insurance Corporation

FOR IMMEDIATE RELEASE
January 18, 2002

Media Contact:
David Barr (202) 898-6992

FDIC APPROVES THE ASSUMPTION OF THE INSURED DEPOSITS OF BANK OF SIERRA BLANCA, SIERRA BLANCA, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) approved the assumption of the insured deposits of the Bank of Sierra Blanca, Sierra Blanca, Texas, by The Security State Bank of Pecos, Pecos, Texas.

Bank of Sierra Blanca, with \$10.8 million in assets and \$9.8 million in total deposits, was closed today by the Texas Banking Commissioner, and the FDIC was named receiver.

The Security State Bank of Pecos has agreed to assume approximately \$9.1 million of the insured deposits of the failed bank. At the time of closure, Bank of Sierra Blanca had about \$720,000 in deposits that exceeded the federal deposit insurance amount.

Due to the federal holiday on Monday, the failed bank's sole office will reopen on Tuesday, January 22nd as a branch of The Security State Bank of Pecos. Deposit customers of Bank of Sierra Blanca will automatically become depositors of the assuming bank.

The Security State Bank of Pecos has agreed to pay the FDIC a premium of \$218,000 to assume the insured deposits and to purchase approximately \$3.5 million of the failed bank's assets. The FDIC, as receiver, will retain the remaining assets of Bank of Sierra Blanca for later disposition.

The FDIC estimates the cost of this transaction to the Bank Insurance Fund (BIF) to be \$1.4 million. Bank of Sierra Blanca is the second FDIC-insured institution to fail this year and the first in Texas since East Texas National Bank, Marshall, was closed on July 9, 1999.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-5-2002**