Joint Release

Federal Deposit Insurance Corporation

Office of the Comptroller of the Currency

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COMERICA BANK -- TEXAS, DALLAS, TEXAS, ASSUMES INSURED DEPOSITS OF FIDELITY NATIONAL BANK, HOUSTON, TEXAS

Comerica Bank -- Texas, Dallas, Texas, has assumed the insured deposits of Fidelity National Bank, Houston, Texas, after Fidelity was closed today by the Office of the Comptroller of the Currency (OCC) and turned over to the FDIC as receiver.

Fidelity National Bank, with total assets of $46.5 million, was closed by the OCC because the bank's assets were less than its obligations. In addition, the bank was critically undercapitalized and was in an unsafe and unsound condition to transact business. In light of these findings, the OCC determined that closure and the appointment of the FDIC as receiver was necessary to protect the interests of the bank's depositors and the deposit insurance fund.

Imprudent lending practices and the board's inadequate supervision of management's activities resulted in loan quality problems at the bank. Poor underwriting and loan administration standards (including inadequate systems and controls resulting in a high volume of collateral exceptions and loans not adequately supported by current and complete credit information) led to increasing loan losses. Although new management attempted to correct these problems, their efforts were not successful as loans made by prior management continued to become losses for the bank. These losses eventually depleted the bank's capital.

In August 1990 the bank signed a Commitment Letter with the OCC and in December 1992 stipulated to a Consent Order that required the directors and

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management to take actions to correct the bank's problems. The bank never complied with that order.

The four offices of Fidelity National Bank will open on Friday, July 23, 1993, as branches of Comerica Bank, and its depositors will automatically become depositors of the assuming bank. Comerica will assume insured deposits of about $39.1 million in about 4,800 deposit accounts. At the time the bank closed, about $3.1 million in 73 accounts exceeded the federal insurance limit of $100,000 and will not be assumed by Comerica.

Comerica will pay the FDIC a premium of $1.8 million for the right to receive the deposits of Fidelity National and will purchase $7.8 million of the bank's assets. To facilitate the transaction, the FDIC will advance about $29.5 million to the assuming bank and will retain assets of the failed bank with a book value of about $38.7 million.

The FDIC 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. Uninsured depositors and non-depositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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